



President Reagan and other U.S. officials met Monday at the White House with an Israeli delegation led by Foreign Minister Yitzhak Shamir. Seated, from left, were Secretary of State George P. Shultz; Mr. Reagan; Vice President Bush (partly hidden); William P. Clark, the national security adviser; and Edwin Meese 3d, the presidential counselor. Israeli officials, seated from right, were Mr. Shamir, Ambassador Moshe Arens, and Jacob Lechman, an Israeli Embassy minister.

Reagan Tells Israel's Shamir Beirut Fighting Must Stop

The Associated Press

WASHINGTON — President Reagan met Monday with Israel's foreign minister, Yitzhak Shamir, and stressed to him the need for a "complete end" to the fighting in West Beirut. The president said the world "can no longer accept a situation of constantly escalating violence."

But Mr. Shamir told reporters after the 20-minute session that Israel believes that Palestinian forces will not leave Beirut or Lebanon "unless they are convinced they have one choice before them: to leave by negotiations or by other means."

Both men appeared grim-faced during a picture-taking session before their meeting.

On Sunday, Mr. Reagan vowed that he would be "firm" with Mr. Shamir. Mr. Reagan told reporters that he had lost patience and said it was "absolutely imperative" that the U.S.-arranged cease-fire reached earlier in the day "not be violated by anyone."

[Tass said that Leonid I. Brezhnev, the Soviet leader, had sent a personal message to Mr. Reagan calling for urgent action to prevent what he called "the continuing annihilation of people in Beirut" by Israeli troops. The Washington Post reported from Moscow.

[It was the second time in less than a month that Mr. Brezhnev had appealed directly to Mr. Reagan over Lebanon. But like the earlier message, the latest appeal was vaguely worded and contained no hint of Soviet countermeasures should the fighting in Beirut continue.

[Western diplomats in Moscow speculated that the main purpose of Mr. Brezhnev's well-publicized messages was to establish a legitimate Soviet concern about developments in the Middle East and win propaganda points. The Post reported.]

Israel Attacks Defended

Speaking to reporters Monday after meeting with Mr. Reagan, Mr. Shamir defended Israel's sea, land and air attacks Sunday around Beirut's airport — the most devastating attacks since Israeli troops sealed off the city in June. These attacks ended with the latest cease-fire.

The foreign minister accused Palestinian forces of having taken advantage of the cease-fire to launch attacks since the start of the crisis and said that the truces "must be absolute and mutual and not one-sided."

A White House statement issued after Monday's meeting said the fighting must end to allow Philip C. Habib, Mr. Reagan's special Middle East representative, to pursue a settlement.

"The president emphasized that an early diplomatic settlement of the current problem of West Beirut is the essential first step in ending the trauma of Lebanon, beginning the process for a better future of this ravaged country, and moving on to the broader peace process," the statement said.

'Bloodshed Must Stop'

Speaking with reporters Sunday, Mr. Reagan said "the bloodshed must stop" in West Beirut.

Throughout the crisis, he has not criticized Israel directly. But his overall tone suggested uneasiness with Israeli policies.

Asked what he would tell Mr. Shamir at Monday's meeting, Mr. Reagan said, "I'll be firm. ... This must be resolved and the bloodshed must stop."

He declined to say whether this tone represented a get-tough policy toward Israel but added, "You can say that we're going to have a serious discussion, and I think they'll understand exactly how we feel about this."

Shortly before Mr. Reagan spoke, Mr. Shamir arrived at nearby Dulles International Airport and told reporters that the United States and Israel are pursuing parallel objectives in Lebanon.

Both favor the emergence of a strong central government and the removal of all foreign forces from the country, he said.

But in Jerusalem, a senior Israeli official, who asked not to be identified, said the United States and Israel have differing perceptions on prospects for an early end to the crisis.

Grain Sale Defended

DES MOINES, Iowa (AP) — President Reagan, on a political trip to the Midwest, said Monday that despite his opposition to a long-term grain-sale agreement with the Soviet Union, "the granary door is open" and large quantities may be sold.

Defending his decision last week to accept another one-year extension of the U.S. agreement to sell wheat and corn to the Russians, the president told an audience of corn growers, a key Republican constituency, that he would be alert for signs that "martial law may be relaxing" in Poland.

He said there are some indications that this may be the case and told the farmers, "We will continue to watch developments there in the hope that life will improve from the Poles, and sanctions can be removed."

200 Reported Dead

Israeli officials said Sunday's attack was not the start of the long-threatened invasion to wipe out the PLO's guerrillas in their last stronghold.

Lebanese police said 200 persons had been killed and 400 wounded, and a spokesman said,



A Palestinian fighter watched from a West Beirut rooftop Monday as fires burned in the city.

U.S. Should Talk With PLO, Define Camp David, Egyptian Official Says

By Joseph Fitchett

International Herald Tribune

PARIS — Egypt has detected slight movement in the Reagan administration toward Arab views about the Lebanon crisis, but believes the United States should be more forthcoming about the Palestinians and start a dialogue with the Palestine Liberation Organization if it wants to stabilize the Middle East, Foreign Minister Kamal Hassan Ali, of Egypt said here Monday.

With Israel pressing for a showdown, he said Egypt hopes the United States will impose a strict cease-fire in Beirut — monitored by United Nations observers — to gain more time for political evolution in Washington and in the Middle East.

In the longer run, Egypt is pressing the United States to announce its interpretation of the Camp David peace accords. Egypt believes that the United States should state that it understands the ultimate goal of the peace process is Palestinian self-determination, contradicting Israel's interpretation of Palestinian autonomy as limited local self-rule.

"We have to give some hope to the Palestinians as they leave Beirut, otherwise their dispersal

throughout the Arab world will spread terrorism and political problems," Mr. Ali said.

Mr. Ali, who is meeting with President François Mitterrand, outlined the main points contained in a message he delivered over the weekend to President Reagan from President Hosni Mubarak of Egypt. He also met with U.S. Secretary of State George P. Shultz.

Egypt, which has become along with Israel and Saudi Arabia the major U.S. allies in the Middle East, has criticized the PLO in recent years while being ostracized by other Arab governments. The Lebanese crisis has given Egypt a renewed opening to play a leading role in Arab diplomacy.

Hope for Talks

Egypt and France have prepared a draft United Nations Security Council resolution aimed at establishing PLO recognition of Israel. The proposed text repeats the essentials of earlier resolutions recognizing Israel's right to security, but adds a clause about Palestinian political rights and calls for simultaneous mutual recognition by Israel and the PLO.

Mr. Ali said the PLO has promised to accept this formula,

which could help open the way to U.S.-PLO discussions.

Egypt and France are delaying submission of the draft because, Mr. Ali said, "it will take time before the United States is interested in a dialogue with the PLO." At present, indications are that the United States would veto such a resolution, but Egypt and France are receptive to changes.

In Washington, Mr. Ali pressed the Reagan administration to extend political inducements to the PLO quickly in conjunction with its withdrawal from Lebanon — which he said remains the top U.S. priority.

Outlining U.S. thinking, Mr. Ali said the Reagan administration wants to:

- Defuse the situation in Beirut; this means the departure of PLO forces.
- Solve the Lebanese problem.
- Deliver into the Palestinian problem, seeking a settlement in the framework of the Camp David accords.

According to Mr. Ali, this represents a slight change from the U.S. position conveyed in June when he met with then-Secretary of State Alexander M. Haig Jr.

U.S. policy at that time, Mr. Ali said, was to:

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Rebel Remnants in Kenya Continue Resistance at Air Force Headquarters

Compiled by Our Staff From Dispatches

NAIROBI — Holdouts from among the rebels who failed in an attempt to overthrow the civilian government were resisting loyal Kenyan troops Monday at the air force headquarters south of here.

An official source said 300 dissidents, nearly all air force personnel, had been arrested in the Nairobi area. The newspaper The Nation quoted police and army spokesmen as having said that more than 1,000 people had been arrested in connection with the coup.

Ninety bodies, including both civilians and military personnel, had been brought to the Nairobi morgue, the superintendent said. A government official said 71 air force men had been killed, 30 of them at the Eastleigh headquarters, which is four miles (six kilometers) from the capital.

Hospital officials reported that

more than 500 people — mainly civilians — were treated for gunshot wounds Sunday. About 200 of them received serious injuries, said a doctor at Kenyatta Memorial Hospital. That hospital, near the scene of heavy fighting, handled most of the patients.

Cabinet Meeting

It was Kenya's first coup attempt since the East African country received independence from Britain 19 years ago.

The official Kenya Radio announced Monday that the army has extended by 24 hours the deadline for the rebels to surrender, to noon Tuesday.

President Daniel Arap Moi and his Cabinet met Monday and decided that a 13-hour overnight curfew for Nairobi and the Nanyuki district, about 120 miles to the north, would continue until further notice.

The government also announced

the closure of the University of Nairobi and ordered students to return to their home areas. Some students demonstrated in the streets in support of the rebels Sunday.

Domestic and international communications, which had been disrupted during the rebellion, were restored Monday afternoon.

Large parts of central Nairobi were almost deserted, with shops and offices closed. Passers-by held up their hands and identity papers to avoid being mistaken for looters or rebels.

Firing Near Hotel

There was fierce shooting early Monday around the Hilton Hotel when rebels, who had apparently spent the night in a neighboring building, fired on security forces. The hotel management said that a Japanese tourist had been killed during the clash from his hotel window.

Many of the Hilton's 350 guests were terrorized Sunday by rebels with automatic rifles who invaded the hotel and by looters who ransacked ground-floor shops. The management said that a young woman from the United States had been raped and that three members of the hotel staff had been shot and wounded.

Diplomatic sources said the rebels appear to have included junior air force officers and that there was only scant organization in both the planning and execution of their coup. No vehicle heavier than a Land Rover was used, and although U.S.-made F-5 jets made passes over Nairobi, none took part in the action.

Kenya's Air Force in 1981 had 2,000 men and 20 combat aircraft, according to the International Institute for Strategic Studies in London. It was not immediately clear

(Continued on Page 2, Col. 4)

Britain Orders Firms To Ignore U.S. Curbs

Compiled by Our Staff From Dispatches

LONDON — Trade Secretary Lord Cockfield announced Monday that he has told four British companies to ignore the "repeal" U.S. ban on the supply of American-designed equipment for the Soviet gas pipeline.

Britain thus joined France in openly defying President Reagan's embargo, announced June 18, because of Soviet support for martial law in Poland.

"The embargo and the terms in which it has been imposed is an attempt to interfere with existing contracts and is an unacceptable extension of American extrajurisdiction in a way which is repugnant to international law," Lord Cockfield told the House of Lords.

Meanwhile, in Brussels, it was learned that a report drawn up by European Economic Community energy experts criticizes the U.S. sanctions as largely ineffective and counterproductive.

The confidential report, written by officials at the European Commission and forwarded to the 10 community governments, says the ban is damaging to Western Europe and will not stop the flow of Soviet natural gas.

New Efforts Predicted

Instead, the report says, the boycott will encourage Moscow "to increase its already considerable efforts and achievements in energy technology independence."

EEC governments have said the ban on sales of European-made but U.S.-licensed equipment for the pipeline violates international law. The governments have already lodged a strong protest with Washington.

A group of EEC legal and trade experts is to meet in Brussels on Tuesday to complete a more-detailed critique of the ban. That response is to be delivered to the Reagan administration later this month.

Lord Cockfield said the government had decided to invoke the 1980 Protection of Trading Interests Act because the Reagan administration had not responded to British efforts to resolve the dispute.

The trade secretary said the government had no wish to intensify the problem, but by invoking the act the government hoped to make Washington think again about the issue.

About 12 British companies have pipeline-related contracts, with a total value of around £220 million (\$385 million), and the government is clearly concerned about the effect on jobs of any cancellations at a time when unemployment is a record 13.5 percent.

The four companies included

three subsidiaries of American firms.

The Scottish firm of John Brown Engineering said it would begin deliveries of its first six gas turbines for the project at the end of August.

The other three companies ordered to go ahead under contracts signed before the ban was imposed were Smith International (North Sea), Baker Oil Tools (U.K.) and AAF Ltd., Lord Cockfield said.

Legal sources said the fact that the latter three are subsidiaries of American companies operating in Britain could cause a complex legal battle over which country has jurisdiction over the firms.

Companies in France, Italy, Britain and West Germany have contracted to build the turbines under license from the American firm General Electric Co.

In Frankfurt, a spokesman for AEG-Telefunken, one of the firms under contract to the Soviet Union, said Monday that the firm has ready for shipment some of the 47 gas turbines it had agreed to build for the pipeline but that a final decision on delivery has not been made.

The spokesman said the decision on delivery is being delayed until the results of Chancellor Helmut Schmidt's recent talks with U.S. leaders are learned.

In Bonn, the magazine Der Spiegel said Monday that Soviet officials and European businessmen believe they have found a loophole allowing them to get around the embargo.

The Russians offered a compromise deal to Heinz Dürr, the chairman of AEG-Telefunken, when he visited Moscow in early July, Der Spiegel said.

Moscow offered Mr. Dürr a deal that would enable a subsidiary, AEG-Kanis, and firms from the other European nations to deliver American-made equipment or equipment made under U.S. license from stocks in hand before Mr. Reagan's expanded embargo took effect July 1, Der Spiegel said.

It said General Electric had delivered 26 of the rotors needed for the 125 turbines on the pipeline before Mr. Reagan extended his sanctions.

The Russians wanted the West European firms to deliver as many turbines as possible with the U.S.-made rotors, Der Spiegel said. The magazine added that the Russians had told Mr. Dürr they would use these turbines, made of a high-quality steel that can withstand very low temperatures, for the north Siberian sector of the pipeline.

Soviet turbines could be used along the rest of the pipeline, it said.



JAPAN'S STORM — The tanker Nikko Maru on its side at the Yokohama breakwater Monday after the latest typhoon to hit Japan left at least 59 dead and 25,000 homeless. It was the second typhoon to strike the nation in 10 days.

Thousands Are Delayed By British Ferry Strike

Reuters

LONDON — Thousands of travelers faced delays and confusion Monday after British seamen operating the 41 ships of the state-owned Sealink ferry firm struck at the height of the holiday season.

The strike stranded 11,000 tourists on the Channel Islands, according to a spokesman for the local tourist industry. The British islands off the French coast were worst hit because they are served exclusively by Sealink vessels.

Passengers and freight trucks at cross-Channel ports such as Dover and Folkestone were being routed to French, Dutch and Belgian vessels or to British-owned rival shipping lines. Some experienced delays of up to two hours.

Passengers on Sealink services to Ireland were expected to switch to Irish vessels.

The National Union of Seamen is resisting a move by Sealink to save £1.3 million (\$2.26 million) a year on its money-losing service.

The seamen say the economies would mean a 24 percent in wage cut.

The government arbitration service said it was getting in touch with both sides to try to resolve the dispute.

The union said it expected a total stoppage by the 4,000 Sealink men at 10 ports. Officials warned they might seek to spread the strike to other British-owned shipping lines.

The strike hit Channel ports at their busiest time of the year, when thousands of Britons cross to the Continent, many taking their cars.

But Sealink advised travelers to turn up at ports as planned.

An official said, "We hope to get everybody away even if there are a few delays."

At Britain's main Channel port, Dover, where 60 percent of sailings are operated by ferry companies other than Sealink, there was no sign Monday morning of exceptionally long lines or frustrated passengers as the 9 a.m. strike deadline passed.

Folkestone port, where nearly all sailings are by Sealink, was almost at a standstill.

Sealink operates a consortium on Channel services with French, Dutch and Belgian operators.

The company also has an emergency arrangement with British-owned rivals Townsend Thoresen and P&O under which they would accept Sealink tickets.

Chronicle of a Bombardment: Day 50 of the Israeli Siege in Beirut Is the Worst

By Charles T. Powers

Los Angeles Times Service

BEIRUT — It was the longest day of this terrible summer.

Sunday was the 50th day of the siege of this city, and it brought, without any doubt, the heaviest Israeli shelling and bombing of the war.

Dawn comes early to this part of the world, and light sleepers in West Beirut heard the sounds about 3:15 a.m. It was artillery, apparently hitting the Boji el Barajine refugee camp, the steadily weakening stronghold of the Palestine Liberation Organization.

At 6 a.m., the rest of the western sector awoke suddenly as incoming fire from Israeli gunboats, exploding with their peculiar snare-drum reverberation, began falling among the high-rise buildings along the seafloor drive.

On the roof of the Commodore Hotel, the sunlight was already blindingly bright, the sky a clear blue. Israeli Phantom jets were circling

overhead, then diving out of sight behind the buildings, dropping off heat-seeking balloons to distract the PLO guerrillas' heat-seeking missiles.

For the residents of the western sector, the overriding question Sunday morning was: Were the Israelis finally coming into West Beirut?

About 6:30, a radio report said the Israelis — ground troops and tanks — were moving on the airport at the southern edge of the city. For weeks they had been sitting at the airport's southern end, with the Palestinians on the northern edge. Now it appeared that the Israelis might move beyond the airport for the first time.

At 7 a.m., Beirut radio stations announced that bombs, rockets and heavy artillery from land and sea were striking Palestinian camps at Sabra, Chatilla and Boji el Barajine and along the Corniche Mazra, a wide, one-lane street that separates West Beirut proper from Palestinian territory to the south.

The jets circled and dived without interruption. On a rooftop below the hotel, a man came out to tend his pigeons. He did not look up at the sky, but went about his business, scattering grain for his birds.

At 9:10, the Phalangist Party's radio station said the Israelis had overrun the airport. The shelling was said to include the entire coast from south of the airport to the corniche.

At 9:41, a major tank and artillery battle was reported at the Museum Crossing — one of the three entrance points to West Beirut. A second big duel was reported at the Galerie Samaan crossing, another route westward.

At 11:20, the state-run Beirut radio said the Israelis had advanced to within three miles of the center of West Beirut.

In the center of the city, the young men with their guns and their uncertain political alliances stalked around singly and in pairs, worried looks replacing their normally cocky expressions.

About 11:30 a.m., shells began falling around a stately old building on a hill in one of West Beirut's older neighborhoods. It was the home of Saeb Salam, the 79-year-old former premier, who has been active as a go-between in the negotiations involving the special U.S. envoy, Philip C. Habib, and the Palestinians.

The shelling continued for an hour, during which a small building adjacent to the house was hit with a 155mm artillery shell.

Throughout the shelling Mr. Salam was in his home talking desperately by telephone with Mr. Habib, urging him to pressure the Americans into pushing for a new cease-fire.

By noon, residential areas on the east side of West Beirut were being pounded heavily. These were new targets for the Israelis, neighborhoods occupied by the poor and working-class people of the city, overwhelmingly Moslem. Most of these people do not have the money to escape, or anywhere to escape to.

The bombardment of West Beirut had been

going on for almost nine hours without a lull.

At 2 p.m., the Israeli radio said that the Israeli Cabinet had made no decision to send its troops into West Beirut.

At 3:12 p.m., after a lull of about 30 minutes, there was a major resumption of gunboat shelling along the corniche. Ambulance sirens sounded in the streets.

About 4 p.m., the Phalangist radio reported that a cease-fire had been arranged for 5 p.m.

At 4:40, a CBS newsmen, trailing a long sheet of paper, said he had learned from his office that President Reagan had sent birthday greetings to Prime Minister Menachem Begin of Israel and had also asked him to please allow Mr. Habib to conduct his negotiations in Beirut in an atmosphere conducive to their success.

At 4:45, Israeli shelling and bombing reached what seemed to be a new level of intensity.

At 5 p.m., from the vantage point of a 10-

story apartment building perhaps 600 yards from the Corniche Mazra, the scene of devastation was awesome. Shellfire was blasting in at the foot of buildings along the coast.

As the shells hit, the air seemed to quiver. Dust rose, and glass and masonry fell. A vast pall of smoke hung over the long stretch of flatlands south of the city. A column of heavy oil smoke rose from near the airport.

At 5:10, or perhaps a minute before, the shelling stopped.

At 5:30, residents on the east side of West Beirut were coming out of their houses.

At 5:50 on the corniche, where the final heavy gunboat shelling had struck, the guerrillas were clearly in evidence, only 40 minutes into the ninth cease-fire of the siege of Beirut.

Some of them were seen bending over a pair of ammunition boxes, prying off the lids to get ready for the end of this cease-fire and the beginning of new fighting.



Bystanders, police and railroad workers examined the wreckage of a British armored personnel carrier that was driven into the path of an express train near Osnabrück, West Germany.

2 Britons Run Armored Vehicle Into Train in Germany

United Press International

OSNABRÜCK, West Germany — Two British soldiers smashed a stolen 15-ton armored personnel carrier into an express train Monday, killing themselves and seriously injuring 23 persons on the train.

The impact of the collision derailed five of the train's coaches, overturned one of its two locomotives, ripped out 400 yards (400 meters) of track and destroyed the personnel carrier, police said.

The soldiers stole the 15-ton vehicle just before midnight and drove it through a fence onto a highway, a British Army spokesman said. They were pursued by military and West German civil police.

"We have no idea why they took it," the spokesman said.

The men, identified as Michael France, 23, and Robert McLellan, 24, both privates in the First

Battalion of the Duke of Edinburgh Regiment, based at Mercer Barracks here, drove the vehicle up a steep bank onto the railroad line, running it head-on into an overnight express train carrying 300 passengers bound for Copenhagen.

The train, traveling at about 75 miles an hour (120 kilometers an hour), smashed the carrier as the train cars and locomotive overturned. Both soldiers were killed in the crash. The train engineer in one of the locomotives and 22 passengers in the train's fourth coach were seriously injured when they overturned, the spokesman said.

"There would have been more people killed if there had only been one locomotive," a police spokesman said.

Last month, a U.S. Army private stole an M-60 tank and drove it through Mannheim, smashing a streetcar, before plunging the vehicle upside down in the Neckar River and drowning.

U.S. Aid to El Salvador Is Compared by Gandhi To Soviet Afghan Role

By Susan Chira

New York Times Service

NEW YORK — Prime Minister Indira Gandhi of India has compared U.S. involvement in El Salvador to the Soviet presence in Afghanistan.

"It may not be exactly the same situation," Mrs. Gandhi said in answer to a question in a television interview was taped Saturday and broadcast Sunday, "but the U.S.S.R. — as they say and as the Afghans also say — were invited by the government there."

The United States has sent about 50 military training personnel and provided financial aid to El Salvador. The Soviet Union has sent an estimated 100,000 troops into Afghanistan since 1979.

Asked about friendship with countries that deny freedom to their citizens, the prime minister said:

"It's not just one country that's doing it. We do know that there has been interference by one country or another in other parts of the world — Latin America, in countries of Africa, in countries of Asia. Now, it doesn't make sense to us to distinguish between these."

Mrs. Gandhi also defended India's relationship with the Soviet Union in general, criticized U.S. nuclear and economic policies and took exception to Washington's action in supplying \$3 billion in arms to Pakistan.

U.S. Estimate Rejected

The prime minister said her refusal to denounce the Soviet intervention in Afghanistan did not mean that India favored the Soviet Union in general. Calling that idea one of the "misconceptions," she hoped her trip to the United States would clear up, she reiterated that India has a policy of nonalignment.

"We have not in any way allowed any friendship to overshadow another friendship or in any way to influence our decisions or our actions," Mrs. Gandhi said. She added that India does not accept Marxist principles.

Mrs. Gandhi rejected a Pentagon

estimate that there were as many as 1,500 Soviet military and civilian advisers in India but she said she did not know the exact figure.

The prime minister also said that a recent agreement on spent nuclear fuel had not entirely ended the dispute over the American-built Tarapur power plant, which supplies most of Bombay's electricity.

On Friday, the two nations announced an agreement under which France, rather than the United States, could supply low-enriched uranium for the Tarapur plant. India is not to process any of the spent fuel without Washington's approval.

The United States has insisted that all American nuclear fuel provided to India under international safeguards to prevent its conversion into weapons-grade plutonium. Because India refused to agree to such inspection, the United States has not supplied it with fuel since 1978. Plutonium, one of the products of reprocessing spent fuel, can be used to make nuclear weapons.

Calling the United States position "discriminatory," Mrs. Gandhi said of the fuel, "if we make it ourselves we should be able to do what we wish with it." She said India has not produced any nuclear weapons, adding that a nuclear explosion was set off in 1974 as an "experiment" for peaceful purposes.

On Sunday, Mrs. Gandhi addressed 1,000 people at a Sikh temple in the New York borough of Queens. She asked for support in efforts to make India strong.

Mugabe, Nkomo Discuss Crisis, but No Progress Seen

Washington Post Service

HARARE, Zimbabwe — Prime Minister Robert Mugabe and opposition leader Joshua Nkomo held a rare meeting Monday but apparently failed to make any progress in defusing Zimbabwe's political crisis. The session, requested by Mr. Nkomo, was the first between the two former guerrilla partners since Mr. Mugabe fired Mr. Nkomo from the Cabinet in February and accused him of planning a coup.

Relations have been strained since then, and dissidents, claiming loyalty to Mr. Nkomo, have mounted a campaign of violence in his Matabeleland stronghold in southwestern Zimbabwe.

After the meeting, Mr. Nkomo called the situation in the country very dangerous and said, "We agreed to follow a certain course of action which will make known as we go along." The implication was that the government would back away from a confrontation and would cooperate with Mr. Nkomo's Zimbabwe African People's Union party to try to curb the mounting dissidence since Mr. Nkomo was fired. Mr. Nkomo has been seeking joint action for weeks in an attempt to boost the role of his party.

Meanwhile, about 1,500 troops continued their search for about a dozen dissidents and the six American, British and Australian tourists they kidnapped 10 days ago in Matabeleland.

Kenya Fights Last Rebels

(Continued from Page 1)

how many air force members were involved in the coup attempt. Sources said that the core of the rebel forces were made up of combat troops trained to guard bases and other installations.

President Moi, 58, has been in power since 1978, when he succeeded the late Jomo Kenyatta. Kenya's revered first president and the architect of the country's independence.

Last month, Mr. Moi pushed through a constitutional amendment making his Kenya African National Union the only legal political party. Since then he has been rounding up leading his party's opponents.

"One rebel broadcast said: 'Rampant corruption and nepotism has made life almost intolerable in our society. The economy is in a shambles, and the people can't afford food, housing and transport.'"

But diplomatic sources said that the air force dissidents seemed to have little public support.

Turkey Charges 65 With Rebellion

The Associated Press

ISTANBUL — Sixty-five alleged leftist activists went on trial in Erzurum, in eastern Turkey, Monday on charges of "armed rebellion" against the state to establish a Communist regime, the semi-official Anatolia News Agency reported.

In a dispatch from Erzurum, the headquarters of military authorities for three other provinces, the agency said the 65 belonged to four leftist armed groups that were

active in several districts of Kars, near the Soviet frontier.

They will be accused of the premeditated murder of seven persons, armed robberies, extortion and membership in an illegal organization. The agency dispatch did not specify the penalty sought by the military prosecutor in the case. It only reported that the group were found to "have conspired to disrupt the constitutional regime in Turkey with an aim of Communist order," a charge that carries the death penalty.



The family of a man wounded by shrapnel gathered Monday at his bedside at a Beirut hospital. The hospital's 50 patients had been moved to underground storage rooms during the Israeli bombardment of West Beirut on Sunday. Several shells hit the building, but no one was injured.

U.S. Should Talk With PLO, Egyptian Says

(Continued from Page 1)

said, was an immediate withdrawal of the PLO, restoration of a strong government in Lebanon and a final withdrawal of all foreign forces. In effect, this approach was identical to Israel's reported goal of liquidating the PLO militarily and politically and leaving Lebanon under the domination of Maronite Christian militias led by Bashir Gemayel.

While welcoming the shift in U.S. policy, Mr. Ali said Egypt feels the United States should telescope its political schedule to accompany the PLO's withdrawal by making commitments to discuss with the PLO such issues as Palestinian self-determination and the creation of a homeland.

By phrasing this in the context of the Camp David accords, the Reagan administration could give support to Egypt's diplomatic campaign in the Arab world to

show that their peace with Israel was intended to help the Palestinian cause as well.

Echoing Egypt's view that the United States holds the trump of a Middle East settlement because of its influence over Israel, Mr. Ali said that Israel's narrow interpretation of Palestinian rights, coupled with Israeli behavior in Lebanon and in the occupied West Bank, is liable to turn the Palestinian movement back into a terrorist

operation and also block hopes of normalizing relations between Israel and Egyptians.

Reacting to criticism of Israel and Mr. Arafat's signals of increased PLO moderation, Mr. Ali said, the Reagan administration is more receptive to Egyptian initiatives on behalf of the Palestinians.

"But the Americans say they need more time, and sometimes there just isn't any more time," he said.

WORLD BRIEFS

Iraq Reaffirms Relations With Russia

NICOSIA — The first deputy premier of Iraq, Taha Yassin Ramadan, has reaffirmed Iraq's friendly relations with the Soviet Union and said he hopes more comes of them, according to the Iraqi news agency, INA. Iraq has a 20-year treaty of friendship and cooperation with the Soviet Union, but there have been unconfirmed reports that the Russians have not lived up to their side of the agreement and have offered no help for Iraq in its conflict with Iran.

The INA dispatch also said Mr. Ramadan assailed U.S. policy toward Iraq and other Arab nations. "We still regard the Soviet Union as a friend," he was quoted as saying, "and we have made great strides as far as mutual relations are concerned. We also hope to achieve more in this respect." INA said Mr. Ramadan made his comments to the English-language Baghdad Observer.

OU Summit Is Considered Unlikely

TRIPOLI, Libya — An African summit meeting due to open in Tripoli on Thursday is unlikely to take place because of a continuing dispute over the Western Sahara, conference sources said Monday. The sources said 20 countries that have boycotted the current preparatory ministerial session were not expected to attend the planned summit of the Organization of African Unity. They are objecting to the presence of delegates from the Polisario Front, which has been fighting Morocco for six years to achieve independence for the Western Sahara.

Conference sources also said some African leaders may stay away because they object to the foreign policy of Col. Moammar Qadhafi, the Libyan leader who is scheduled to take over as OAU chairman at the summit.

Hearings Start in French Bus Deaths

CREPY-EN-VALOIS, France — A court hearing opened Monday into possible homicide charges in the fiery collision of 10 vehicles Saturday that killed 53 persons, including 46 children — most of them aboard two buses bound for summer camp.

The court proceedings were ordered by public prosecutor Régis Mourier of Dijon, capital of the Burgundy province where three buses and seven cars piled up on a rain-slicked highway, causing an explosion. Forty-four children died aboard two of the buses and two children were killed in a car with their mother — one of the seven adults killed in the crash near Beaune. Initially, the police had reported 44 children and nine adults dead. President François Mitterrand and Prime Minister Pierre Mauroy were to attend funeral services Tuesday for the 44 children who came from the town of Crépy-en-Valois, north of Paris.

2 Romanians Continue Protest Fast

VIENNA — A Romanian woman who has been on a hunger strike for 22 days said Monday she and her husband are pledged to continue until Romanian authorities permit them to move to Israel.

Ruxandra Ratescu said by telephone from Bucharest that Romania's chief rabbi, Moses Rosen, had appealed to her husband, Sergiu Ratescu, a 36-year-old architect, to end the hunger strike. Her husband rejected the plea, she added.

"We are decided to go to the end, because I don't understand why they need such a long time to make a decision," Mrs. Ratescu, 34, said. They have been trying for 12 years to gain permission to move to Israel with their son, who is 9.

UN to Reopen Disarmament Talks

GENEVA — The United Nations is to reopen its long-standing talks on disarmament Tuesday, nearly a month after a special General Assembly session on arms reductions ended in failure.

The 40-nation disarmament committee, in addition to reviewing the draft program on disarmament on which the General Assembly failed to agree, will propose new initiatives.

Washington and Moscow have given hints recently of new interest in two technical working groups on means to verify compliance with nuclear test bans and a proposed ban on all chemical weapons. Neither group is expected to produce new agreements, but progress in their talks might spill over into U.S.-Soviet negotiations, diplomats said.

Compiled from Agency Dispatches

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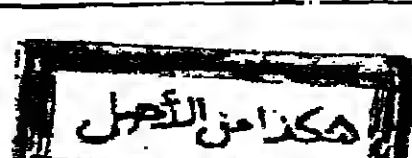
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Grunman Plane Selected As Premier Navy Fighter

By Richard Halloran
New York Times Service

WASHINGTON — Defense Department officials have selected the Grumman F-14 Tomcat as the Navy's premier fighter but have left open the choice of an attack bomber, according to Pentagon and industry officials.

The Pentagon's action is expected to shape naval aviation for the rest of the century.

The selection of the F-14 could mean \$8.4 billion for Grumman Aerospace Corp. of Bethpage, N.Y.

It will build 144 of the planes in the fiscal years 1984 through 1988 if Congress approves each annual aircraft request from the administration. This year, Congress is almost certain to approve the purchase of at least 24 F-14s for 1983.

The bomber question has set off a fierce lobbying battle between two leading military contractors — Grumman, which makes A-6 Intruders, and McDonnell Douglas of St. Louis, manufacturer of F-18 Hornets. The orders will be worth about \$4 billion to the victor.

Grumman has cut its price on the Intruder, and the Navy is making it plain to McDonnell Douglas that it expects similar concessions.

The two decisions on aircraft purchases came in a review of the Navy's five-year plan for spending more than \$30 billion on aircraft. The review was ordered by the Defense Resources Board, the Pentagon's top executive committee, as it prepared the 1984 military budget.

In a confidential memorandum, the board questioned whether the purchasing rate and the Navy's pattern of buying a few planes of several sorts at a time could be sustained over five years, given rising costs.

The memo said, "The most frequently cited cause of the problem is, too many different types of aircraft are being bought at low and inefficient procurement rates with resultant high unit costs."

The new aircraft will replace planes lost through age or accidents and equip an expanding force of aircraft carriers.

Alternatives Listed

When the review was begun, officials said, a confidential memorandum listed alternatives with various combinations of F-14 Tomcats, A-6 Intruders, F-18 Hornets and other aircraft that would cost between \$30 billion and \$34 billion.

One alternative called for ending production of F-14 Tomcats, whose task is to defend carriers and escort vessels, and replacing

them with F-18 Hornets. The Hornets can serve as both fighters and bombers.

Another alternative called for canceling F-18 production and using A-6s in the attack role; a third would have ended A-6 production and turned to the F-18.

The officials said the Defense Resources Board accepted the recommendation of Navy Secretary John L. Lehman Jr. to make the F-14 Tomcat the Navy's chief fighter because its performance is among the best in the world and its unit cost would drop as more planes are produced.

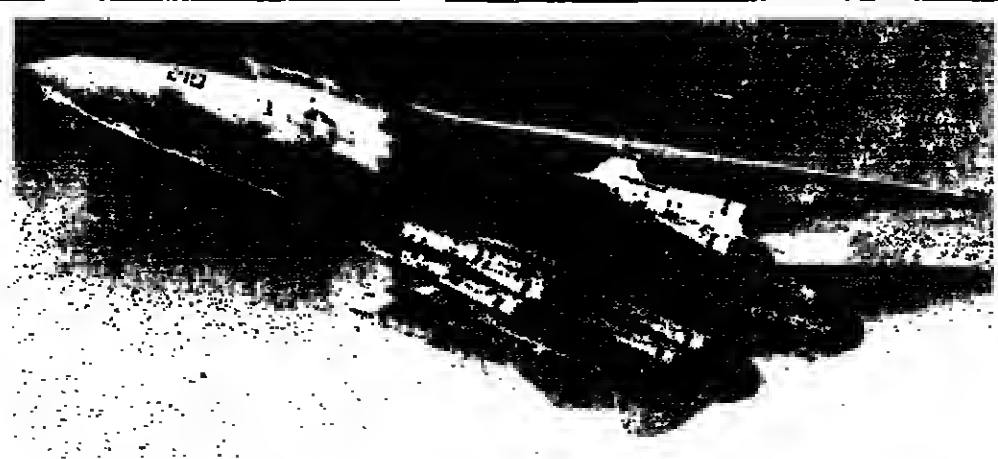
Officials said some Hornets may be bought for use on smaller carriers until they go out of service around 1990.

In the competition for the bomber contract, the officials said, the question is whether Grumman's A-6 Intruder will be the Navy's only attack bomber or whether the attack force will be a mixture of Intruders and F-18 Hornets.

They said Grumman had offered a firm price of \$19 million for each A-6, which one senior official said represented a "startling" 19-percent reduction from earlier prices. As a result, the officials said, the Navy has told McDonnell Douglas that each Hornet must cost no more than the \$22.5 million the plane cost last year.

One senior Navy official said, "If we don't get our price, we are dropping it from the Navy."

Since the Defense Department and the Navy must com-



The F-14 Tomcat: Grumman could get an \$8.4-billion contract.

plete drafts of the 1984 budget and a five-year procurement plan by the fall, officials said the Navy must have an answer from McDonnell Douglas by early October.

The initial program the Navy submitted would have spent \$34 billion for 970 tactical aircraft, including 144 F-14 Tomcats, 606 F-18 Hornets, 30 Grumman F-111B bombers, and 190 AV-8B's, a McDonnell Douglas derivative of the British Harrier jump-jet.

The Grumman A-6 Intruder was omitted from that plan to reduce the variety of aircraft, but Mr. Lehman restored it when Grumman cut the price and announced plans to improve the plane.

March, was more elaborate and more carefully composed this year, according to Defense Department officials. But they said that some of the more pointed criticisms of the allies had been edited out of the version made public last week.

The report shows that the United States provides 53 percent of the total, collective military budgets of the allies. Britain, France, and Germany spend about 10 percent of the total but Italy and Japan less than 4 percent.

The United States furnishes, for the common defense, 66 percent of the naval tonnage, 45 percent of the tactical air power, 39 percent of the ground forces, and 41 percent of the people on active military duty, according to the report.

"When people see how the Japanese aggressors murdered our innocent compatriots 45 years ago, they are bound to realize what is the true aim of the Japanese Education Ministry in falsifying the history of the invasion of China," the newspaper added.

The report followed the screening on Chinese television Sunday night of a feature film about the occupation. Diplomats saw the showing, the first in many years, as a clear attempt to win popular support for press attacks on Japan.

China says the textbook revisions violate the spirit of a 1972 agreement in which the two countries established diplomatic relations and Japan expressed regret for its past actions.

Japan is China's biggest trading partner, with bilateral exchanges worth \$10.4 billion last year.

Reaction in Seoul

In Seoul, Lee Kyu Ho, the South Korean education minister, said Monday that any country that tried to tarnish our past wrongs and beautify crimes that distressed its neighbors would have difficulty in securing their trust and cooperation.

Mr. Lee, who did not name Japan, was the first South Korean minister to comment on the textbook issue, which has dominated the country's media and led to widespread anti-Japanese demonstrations and an anonymous death threat against the Japanese ambassador to Seoul, Toshikazu Maeda.

In Pyongyang, the North Korean news agency said the textbooks whitewashed "the vicious colonial ruling policy of the Japanese imperialists."

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The GAO also faulted planners of the reorganization for failing to take into account a wide range of costs — higher overtime costs, along with increased training and support-services expenses — that the administration's proposal would entail.

In sum, the GAO concluded that the "expenses of reorganization have not been assessed, and the current savings estimates are poorly documented and are based on inadequate implementation plans."

Big Canada Forest Fire Shuts Route to Alaska

FORT NELSON, British Columbia — A fire touched off by lightning roared out of control across 400,000 acres in the northern forests and closed the main highway to Alaska, according to the provincial Forest Service.

The fire had consumed at least 400,000 acres of pine and spruce by Sunday. Satellite photographs showed that smoke from the fire had drifted as far as West Virginia, the U.S. Weather Service reported.

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55 Killed on Spain's Roads

MADRID — Fifty-five persons were killed and 56 seriously injured in 41 traffic accidents in Spain during the weekend, police reported Monday. They said that the accidents occurred as millions of people were returning from beginning their summer vacations.

British MP Quits Labor Party After Dispute With Left

LONDON — Robert Mellish, one of the best-known Labor Party members in the House of Commons, resigned from the party on Monday after a bitter fight with left-wingers in his south London district of Bermondsey.

"It is not the Labor Party I joined and worked for. Today it has hit lists of decent men and women," said Mr. Mellish, 69, a Labor Party legislator for 37 years. He was chief whip in charge of Commons business from 1974 to 1976 under Prime Minister Harold Wilson.

Mr. Mellish, one of the old-school Laborites who favor moderate socialism and a mixed economy, said he will remain in the Commons as an independent until the Labor Party's executive committee endorses a new candidate for Bermondsey. "Then he will resign his seat and retire," he said, forcing a special election to "give the decent people of Bermondsey a chance to express their views."

"I am very sad to leave after 55 years' membership of the party which I have worked for and loved. It is a tragedy," Mr. Mellish said.

U.S. Study Assails Plan To Kill Energy Agency

WASHINGTON — The General Accounting Office, in a report highly critical of President Reagan's plan to abolish the Department of Energy, says a four-month study turned up no evidence to support the administration's claim that the action would save more than \$400 million a year, or any less sum.

In fact, the GAO says, the administration has failed to take into account "numerous" expenses that shifting most of the Energy Department's functions to the Commerce Department would involve and has "not performed the detailed planning necessary" to carry out a major reorganization efficiently.

The report, scheduled to be made public Monday, seems likely to doom any lingering hope of the Reagan administration to get legislation to abolish the Energy Department enacted in the current session of Congress.

Wide-Ranging Reactions

Introduced in the Senate two months ago, the administration's plan ran into reactions ranging from skepticism to outright hostility at the only hearing that has been held. The administration has not found a sponsor to introduce the bill in the House.

In recent months the administration has variously claimed that the reorganization would save \$1.3

billion, \$1 billion and \$250 million over three years. But the GAO, the auditing arm of Congress, said in its report that it had found that "sufficient evidence has not been developed" by the administration to support any of the savings estimates.

The GAO said that when it reviewed the figures with administration officials, they agreed that most of the envisaged reductions in personnel were "primarily related" to cutbacks in federal energy programs and were not linked to the proposed reorganization.

As to claimed efficiencies from merging the operations of the two Cabinet departments, the GAO said Commerce Department officials "had no specific explanation" of what types of automated systems could be merged to produce the \$200 million savings cited by the administration.

In fact, the GAO concluded, "to the extent that it would be necessary to integrate systems, the difficulties of combining Energy's systems with those of Commerce would likely be substantial."

While the consolidation of those systems could eventually lead to economies, officials from both departments told the GAO that they had not considered in their savings estimates the "difficulties and expenses" associated with merging the systems.

The GAO was even more skeptical of the administration's claim that the reorganization would save \$50 million by tightening the manner in which the Energy Department audits the activities of private contractors.

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In fact, the GAO concluded, "to the extent that it would be necessary to integrate systems, the difficulties of combining Energy's systems with those of Commerce would likely be substantial."

While the consolidation of those systems could eventually lead to economies, officials from both departments told the GAO that they had not considered in their savings estimates the "difficulties and expenses" associated with merging the systems.

Herald Tribune

Published With The New York Times and The Washington Post

The Reagan-Gandhi Deal

From THE NEW YORK TIMES

The eight-year struggle with India over its nuclear weapons program is ending in a draw. The deal between Mr. Reagan and Mrs. Gandhi is not a defeat for either, but neither is it a victory for nonproliferation.

The laudatory aim of the settlement was to sweeten the atmosphere for a rapprochement, symbolized by Mrs. Gandhi's first visit to the United States in more than a decade. But in strictly nuclear terms, India gained. By substituting France for the United States as the supplier of civilian nuclear fuel, the deal eliminates the American pressure, through fuel delays and cutoffs, to get New Delhi to accept "full-scope" safeguards—international inspection of all its nuclear facilities.

Mrs. Gandhi comes away with a guarantee of nuclear fuel for at least 11 more years without having to prove her claim that she is not making bombs. She has not even promised, like her predecessor, not to conduct another nuclear explosion. There is ground for complaint that the deal undercuts the Nuclear Nonproliferation Act.

Still, a second Indian weapons test has not, in fact, occurred for eight years—undoubtedly because of American pressure and world opinion. It remains unlikely. There have been other gains. India's clandestine diversion of civilian nuclear aid to the world more alert to the dangers lurking in peaceful nuclear projects. There has been a general tightening of precautions by all the nuclear supplier nations. And no other potential weapons maker has so far exploded a nuclear device.

The Indian-U.S. standoff had in any case become unstable. An agreement in 1963 obligated the Indians to use U.S. fuel in the U.S.-built reactor at Tarapur. But, uniquely, it also obligated America to supply the fuel—for the reactor's presumed life of 30 years. Thus, when Congress in 1978 insisted that fuel be

denied to those nations whose programs were not fully inspected, India had a legal case for declaring the agreement broken.

That risked the diversion of American aid to military projects. Most disturbingly, India maintained it no longer needed U.S. consent to reprocess nuclear waste, even if the resulting plutonium fuel could also be used as a bomb explosive. It notified the United Nations that spent U.S. fuel rods were being shipped to a new reprocessing plant.

Given India's political importance, there was a strong case for liquidating this controversy—provided a vigorous anti-proliferation program were in place for the rest of the world. The surrender to India can be defended as a surrender to necessity, to retain the remainder of the 1963 agreement's inspection and reprocessing safeguards. But the Indian deal is easily symbolic of the Reagan administration's weakened interest in nonproliferation. It has been making other deals that similarly circumvent the spirit, if not the letter, of the Nonproliferation Act.

South Africa and Brazil, whose U.S. fuel is also blocked by the law, have also been helped to European substitutes, although they had no comparable legal claims. Supplies and equipment for sensitive facilities, which the Carter administration would have opposed without the law requiring it, have been approved for Argentina and South Africa. Pakistan's nuclear transgressions have been overlooked in providing aid.

Most important, the Ford-Carter campaign against plutonium use of plutonium as a fuel has been abandoned in the United States and in Europe and Japan. And this context gives the new Indian arrangements a somber cast. Once plutonium is widely used in key countries, it will be hard to deny to other friends. Congress had better look again, and fast.

Meanwhile, Back at the UN

From THE WASHINGTON POST

Two recent news items:

• A Washington Post correspondent reported from Beirut: "The Palestine Liberation Organization has prevented food supplies stored in a United Nations warehouse here from reaching refugees in besieged West Beirut and southern Lebanon for the past 10 days. UN officials charged today. PLO officials, who in the past have bitterly condemned Israeli forces for periodic blockades of food and water to West Beirut, confirmed reports that they were preventing the UN Relief and Works Agency from removing food from its West Beirut warehouse."

• On the same day late last week came a story about the United Nations Security Council's deliberations on the Lebanese crisis: "The council interrupted the debate over the [French-Egyptian] resolution to pass by 14 to 0 another statement, proposed by Spain, demanding that Israel immediately lift its blockade of Beirut to permit the distribution of emergency supplies."

Is there anyone left who wonders why responsible people, and not just Israelis, find it hard to accept the United Nations as a serious and workable instrument for dealing with the Arab-Israeli dispute?

Diplomacy Against Drugs

From THE NEW YORK TIMES

Since large supplies of heroin reappeared in major American cities four years ago, the government has done little to choke the traffic at the source. The Carter administration slashed funds for anti-drug efforts abroad and the Reagan administration reduced them even more. The State Department's budget in this area is down to a modest \$36 million.

Money for personnel abroad is the major need. There are laws on the books to permit suspension of aid to uncooperative countries. But with the program starved, other policy concerns get priority. Pakistan, for example, is the source of 60 percent of the heroin that reaches America; but after the Soviet invasion of Afghanistan, nothing was allowed to interfere with a \$32-million aid program.

New York's Senator Moynihan proposes a law to empower the president to terminate trade as well as aid. The law is probably superfluous, but the proposal provides a useful reminder of Washington's neglect.

The illicit drug traffic is indeed best fought at the source; the Nixon administration proved it with pressure on Turkey and Mexico. But other governments are not always in control of the areas where the drugs are

grown and processed. Some deserve sanctions because they refuse to help; others deserve assistance when they do.

Drug intelligence reports, on which Senator Moynihan would rely, have not been regularly produced or been very precise when they are. Beyond intelligence, what is needed is a fair set of standards to guide a vigorous drug diplomacy. In Burma the opium fields are largely in the hands of Communist insurgents. Pakistan's government denounces the opium trade and claims to be unable to curb it. Lebanon, which until recently was the source of most hashish coming to America, has had no effective government for years.

Unless concern about the drug traffic is built into the relationship with some countries, no results can be expected. Some nations need aid, training and technical advice in policing their territories. Some need still larger amounts of aid to buy out farmers who shift to less profitable crops. Other foreign policy considerations may well have to override the drug issue in some cases, but the useful message of Mr. Moynihan's proposal is that an attack on the problem abroad has been altogether neglected for too long.

Other Editorial Opinion

Dissenters in Kenya

That a coup could have even been envisaged was in a large part due to the deteriorating economic and political conditions of the past few years. Kenya has for the first time experienced something of the problems perennially felt by other African countries: a declining agricultural sector, a booming birthrate, widespread poverty and unemployment and, through want of commercial success, a shortage of foreign exchange which even the influx of tourists has not wholly removed.

The number of political detainees has risen rapidly. Two weeks ago the editor of Nairobi's leading newspaper was unceremoniously dismissed by government edict. This is a story rather familiar in post-colonial Africa. What gives ground for hope is that President Moi has for the moment triumphed.

—The Daily Telegraph (London).

This naturally conservative head of state with a strong penchant for law and order is highly unlikely to see the attempt to unseat him as a warning to ease off the repressive measures he has been taking against academics, journalists, dissenting politicians and Kenyan Asians this year.

—The Guardian (London).

Behind the Caricatures:

Begin, Preacher to the Faithful

By Norman Kempster

JERUSALEM — When Israeli Prime Minister Menachem Begin told a delegation of American Jewish contributors to the United Jewish Appeal recently that Israel's invasion of Lebanon would bring peace to the Middle East for generations to come, there was a spontaneous outburst of applause. But when Begin delivered essentially the same message to visiting U.S. Sen. Paul Tsongas, the senator characterized the meeting as "disturbing."

With his oratorical style, Begin projects a total assurance that his policies are right, just and above all moral. Those who disagree are put down as evil, misguided, anti-Semitic or perhaps all three.

In Israel Begin has never been more popular. Some Israelis have doubts about the war, but opinion polls show that a majority supports him. The polls indicate that if an election were held today, he would be returned to office with a substantially increased majority.

Since Israeli troops poured into Lebanon on June 6, Begin has been the leader of Israel's effort to convince the world that the war is justified. The Israeli government blames press and television coverage for criticism of the war abroad.

Members of the Knesset have made harsh criticism of the army and the Foreign Ministry for failing to tell Israel's story in a way that would convince world opinion. An official said Begin was trying to step into the breach by "telling people in his own words and his own style what it is that he is trying to do."

Begin is a study in contrasts. The



68-year-old Polish-born leader is best known for his oratory, an often eloquent mixture of biblical quotations, historic references, innuendo, sarcasm and hyperbole.

His manners are courtly, and in private conversation he can be charming. But in public debate he is a gut fighter who often resorts to personal attacks while trying to score technical debating points.

Since the invasion of Lebanon, the hyperbolic strain has been predominant. Often Begin exaggerates a claim to the point of absurdity when a simple statement of fact would serve his purpose. He told the United Jewish Appeal delegation that his troops had captured enough weapons for five divisions.

Israel has captured since the start of the war a substantial store of PLO weapons, including more than 26,000 submachine guns and other

small arms, 19,000 hand grenades and 148 mortars and artillery pieces, according to official Israeli Army statistics. Those numbers are impressive, but to say they could fully equip 60,000 men is preposterous.

Nevertheless, no one in the United Jewish Appeal delegation exhibited any doubts about the claim. Nor did they seem to question a later Begin assertion that the operation in Lebanon was "the most peaceful mission in the history of mankind."

The polls show that Begin's rhetoric strikes a receptive chord in Israel, where large segments of the public clearly enjoy hearing him stand up to the United States and threaten the PLO.

To his supporters, Begin radiates strength. To his detractors, he is irritating as a fingernail scraping down a blackboard. Whether he is a persuasive advocate of Israel's case seems to depend mostly on the attitude of the audience.

Los Angeles Times.

Arafat, Armed Diplomat Without an Alliance

By John K. Cooley

LONDON — In the world's media, PLO Chairman Yasser Arafat is more of a cartoon than a flesh-and-blood human being. In the Soviet bloc and much of the Third World, he is an abstract hero. In Israel, America and much of Western Europe, he is an abstract villain.

Arafat has contributed to his own bad image. One of his least competent interviewers, Oriana Fallaci, found him "not a man born to be liked. He is a man born to irritate."

I never found him especially irritating. I saw him first in May, 1970, in a Land-Rover emerging from dust clouds in southern Lebanon, during one of the early Israeli incursions. As he drove up, one of his aides, Abu Zaim, was arguing with a Lebanese Army colonel. Yasser Arafat, who had Lebanese artillery not tried to stop the advancing Israelis?

Arafat's built-in instinct to favor diplomacy over belligerence won the day. He stepped between Abu Zaim and the colonel, both of whom were growing angry. "It's not like that," Arafat said, an eye on nearby reporters who understood Arabic.

The Lebanese Army has its own line to defend, and we have our posi-

tions." To balance this, he added: "Of course, if we'd had better Lebanese artillery support, we could have given a much better account of ourselves and avoided many losses."

Few Arabs anywhere, let alone the shattered Lebanese Army, have offered anything like the real support the Arab states gave the Algerians in their eight-year war against French colonialism. Arafat knows well that political work, not terrorism, won the day for the Algerians. He would like to follow the same road if he could.

He was born of comfortable upper-middle-class parents in Jerusalem in 1929. He has always been at home with the wealthy, cultivated class of Palestinians, people like the Palestinian millionaire and Saudi Arabian resident, Habis Sabagh; or the old patrician class, like the Husseinis and the Khalidis, or men like Sami Alami, of the Palestinian-owned Arab Bank.

Although he concentrates on survival diplomacy and does not get involved in most day-to-day details of the PLO's multimillion-dollar finan-



Los Angeles Times.

cial and commercial empire, or in its charities, social work or women's, student and professional organizations, Arafat's background does help him to cope with these matters.

His father died when Yasser and his brother, Fathi, who now runs the Palestinian Red Crescent, were still young. Their mother tried to keep him a peaceable schoolboy, but by 15 he was smuggling guns to the bands of Arab peasants being formed to fight the Jewish Hagannah and the Irgun and Stern Gang.

During Israel's 1947-1949 war for independence (which is called by Palestinians Arabs simply "The Catastrophe"), Arafat served in the guerrilla army of Abdel Kader Husseini. When the war was lost, Arafat and his remaining family tested the first bitterness of refugee existence in Egyptian-occupied Gaza.

Like most Palestinian families, proud of having the highest percentage of university graduates in the Arab world, the Arafats saw to it that Yasser went to school. In Egypt he avoided wine, marriage and other possible distractions, and he leads

an apparently Spartan life to this day. In 1964 the Arab League finally created the PLO, at first led by Ahmed Shukri, who delighted Israeli propagandists with his bluster about "throwing the Jews into the sea." The first of the Arabs by Israel in 1967 hastened Shukri's departure after Arafat and his comrades had launched al-Fatah's first underground operations against Israel.

Today Arafat must be deeply bitter about his fair-weather friends in the Arab world and beyond who are scarcely lifting a finger for the Palestinians in their hour of need.

He believes that whatever happens to him and thousands of other Palestinians in Lebanon, the 4 million living under Israeli occupation or dispersed around the world will eventually have their homeland, living in peace and mutual recognition with their Israeli neighbors.

The writer, a staff correspondent for ABC News in London, has spent 20 years covering the Middle East and is the author of "Green March, Black September: The Story of the Palestinian Arabs." He contributed this comment to the Los Angeles Times.

Points for a Revamped, Willful U.S. Middle East Policy

By Granville Austin

WASHINGTON — Secretary of State George F. Shultz has made a good start toward a U.S. policy for peace in the Middle East by making clear his awareness that self-determination and security are the rights of both Palestinians and Israelis.

To this sound beginning should be added other essential and mutually supporting ingredients to peacemaking. These will not by themselves bring peace, but without them there can be no real progress toward peace.

• Bypass Camp David. Another route to peace needs to be found if American global security and regional interests are to be protected. Israel will continue to use loopholes in the language of the Camp David agreement to prevent genuine negotiating progress.

In deed, although not in word, Israel has abrogated the agreement. It has said it will not relinquish the West Bank, and has unilaterally redefined the word autonomy to its end. It is trying to create a quiescent government over a subject people in the West Bank and Gaza. In Lebanon it is trying to destroy the Palestinian national movement and, with it, self-determination for the West Bank and Gaza.

• Talk to the Palestine Liberation Organization. This would end the shadow boxing and tell us if its chairman, Yasser Arafat, really makes a reciprocal agreement with Israel recognizing Israeli and Palestinian rights to self-determination and security.

• Define "support for Israel." The United States is and must remain committed to supporting Israel. Yet failure to define this commitment has confused U.S. policy, divided Americans and strained relations with Israel, the Arabs and others. "Support" should mean protecting Israel's existence and helping it well-being in ways consistent with the American definition of U.S. interests.

When Israel's policies endanger American security and other vital interests, as they do now, the United States must be free to put its own security first. In return for its fundamental support, the United States can reasonably expect Israeli solicitude for vital American interests.

• Level with Congress and the public. The secrecy necessary for delicate negotiations aside, Americans must see the overall shape of the administration's Middle East policy — so they can judge its fairness to all parties — if they are to support it. Extremism and ignorance of administration policies and the definition of "support" have reduced the public debate to the sterile level of whether American policy is pro-Israel or anti-Israel.

Neither American nor Israeli interests can be protected in this fashion. The debris of 15 years of executive branch cynicism, secrecy and crisis diplomacy lies all around us.

• Use leverage wisely. It is certain that there will not be peace between Israel and the Arabs

unless the United States brings them to peace through a combination of inducements and pressures. Both must be credible to each government involved, and acquiescence to this leverage must promise to serve each government's interests better than the current situation. This means that the administration will have to tell the Arabs and Israel (and Americans) where it intends to go. Sovereign nations cannot be driven into the unknown; sometimes they can be nudged and led to a brighter future.

Each use of leverage dilutes its future strength. America should not exhaust its leverage on peripheral issues. It must concentrate on establishing and sustaining negotiations to achieve a just and comprehensive peace.

• Do our own thing. Recent administrations have tended more to react to Middle East events and pressures than to pursue a firm and steady course on the Arab-Israeli dispute. For the United States to be unsure of its own position compounds the endemic uncertainties that it already faces in the region.

Shultz and the president should determine policy for peace between the Arabs and Israel; let the world know what it is, then work toward the goal vigorously. Until they do, the United States will continue to be the victim of other nations' policies and its own haphazardness.

The writer is a former embassy attaché in Beirut and State Department director of research and analysis for the Near East. He contributed this comment to The New York Times.

'The United States Will Suspend ...'

By William F. Buckley Jr.

NEW YORK — The United States has arrived at a moment when a studied re-evaluation of foreign policy would be most helpful. If that worst of White House sins too severe, then let us use the gentler word: a studied reiteration of foreign policy. Because it is unquestionably true that much that has happened has not appeared coherent.

What is needed in the next few weeks in particular, while George Shultz and U.S. foreign policy emerge, is the assertion of a foreign policy that is distinctly American. This does not mean a policy that relies any less on allies, but one which states exactly what it is that the United States seeks on behalf of itself.

Here are a few suggested planks: • With respect to the Middle East: Until the government of Mr. Begin reaffirms its willingness to cede the territories in the West Bank and in Gaza to demilitarized Palestinian rule, the United States will suspend future commitments to Israel's arsenal. The United States

should stand by Israel in any threat to its independence, but a line must now be sought between guaranteeing its independence and arming it so profusely as to underwrite expansionism and perpetuate Palestinian hopelessness.

• In the United Nations: We will express a new relationship with a General Assembly which, as Mrs. Kirkpatrick has so eloquently shown, following similar demonstrations by Senator Moynihan and others, has evolved into an instrument of torment to the United States and other pacific powers. (United Nations finagling was probably responsible for the sundering war over the Falklands.)

Accordingly, the United States ambassador to the United Nations is instructed hereafter not to participate in any vote of the General Assembly. To participate in the debates, yes; but not in the vote. The distinction effectively

removes whatever authority the General Assembly has presumed in decreeing, for instance, that Israel is an apartheid state or that Puerto Rico is a colony of the United States.

• With respect to human rights: Policy will be reconstructed, based on the distinction years ago articulated by Sen. William Fulbright, namely, that the U.S. government (as distinguished from the American people) has no proper quarrel with the domestic policies of any sovereign country so long as that country does not seek to export those policies.

The American people are correct in any social boycott they wish to organize against, for example, the policies of Baby Doc in Haiti, and correct in denouncing his policies. The government of the United States merely recognizes de facto authority. But should Duvallier attempt to finance or export subversion elsewhere, as Cuba has done, his government becomes the explicit enemy of the United States.

Universal Press Syndicate.

When Wilde Came to Leadville

By George F. Will

LEADVILLE, Colo. — Folks here are familiar with booms and busts. This town of 5,000 was once a roughneck boom town. But in 1982, with the molybdenum mine closed by recession, residents of this nicely placed place, facing the front range of the Rockies at 10,200 feet, can enjoy the view and remember better days.

One of the best was a century ago, when Leadville was larger than Denver and the famous aesthete came to lecture the locals about pretty things. Before the spring of 1890, few white men had been in this part of the Arkansas River valley. But by July, gold finds had drawn 10,000. By 1894 about 300 remained.

In the 1890s lead and silver produced a Leadville of between 30,000 and 60,000. No one knows for sure, because in those days people followed wandering stars and did not loiter. But everyone knows that a red-letter day was April 14, 1892, the day a train derailed Oscar Wilde.

He later said Leadville's miners, in their red shirts, corduroy trousers and high boots, were "the only well-dressed men I have seen in America." What those hearty fellows made of his getup can be imagined. Told that Leadville rowdies would shoot either him or his manager, he replied that he could not be intimidated by anything done by his manager.

"I read them passages from the autobiography of Benvenuto Cellini and they seemed much delighted," Wilde

recounted. "I was reproved by my bearers for not having brought him with me. I explained that he had been dead for some little time, which elicited the inquiry, 'Who shot him?'"

In another letter: "I spoke to them of early Florentines, and they slept." What is touching is the ache for refinement and self-improvement that caused communities like Leadville to import the likes of Wilde to proclaim that life without industry is sin, and industry without art is barbarism.

After the lecture, a torchlight parade took Wilde and his host, Horace Tabor, to Tabor's Matchless Mine, into which they descended in a bucket for what Wilde called a banquet: "When I quaffed a cocktail without flinching, they unanimously pronounced me in their grand simple way 'a bully boy with no glass eye.'"

Tabor was a classic Western figure, a boom-town store owner who made a fortune in silver and lead, and became a senator. In the eventful year of 1892, he married a dashing divorcee. A decade later he was bankrupt. The dashing divorcee was found frozen to death in a shack beside the Matchless Mine in 1935.

Before staying a night with Jefferson Davis at his plantation, Wilde passed through St. Joseph, Mo., where people were saying "the income of an English bishop" for relics

from the house of a recently deceased celebrity, Jesse James. Before that, Wilde had visited a Nebraska prison: "Poor odd types of humanity in hideous striped dresses making bricks in the sun, and all mean-looking, which consoled me, for I should hate to see a criminal with a noble face. Little whitewashed cells, so tragically tidy, but with books in them. In one I found a translation of Dante ... Strange and beautiful it seemed to me that the sorrow of a single Florentine in exile should, hundreds of years afterwards, lighten the sorrow of some common prisoner in a modern goal."

When he arrived in America in 1892, Wilde was asked by customs officials if he had anything to declare. He replied, "Only my genius!" Fifteen years later in Reading jail, he wrote (in "De Profundis") that he had been "the spendthrift of my genius ... I forgot that every little action of the common day makes or unmakes character."

He died in his 47th year, as a new century was born. In 1900, in the Hotel d'Alsace in Paris. There, a wit to the end, he said he was dying beyond his means. A monument by Sir Jacob Epstein marks his Paris grave. In the end, after a life of boom and bust, he thought of beauty and better days, he may have recalled the rising sun striking the second highest peak in the continental United States — Mount Elbert, at Leadville.

The Washington Post.

LETTERS TO THE EDITOR

40 Years Later

Forty years ago, in order to save my life I had to disavow my name and heritage. This has left a lasting scar. Do I have to do it again, this time in shame instead of fear?

SUSAN COHEN, Cannes, France.

Cluster Bombs

Regarding "Congress Told That Israel May Have Broken Arms Pact" (HT, July 17): I understand that cluster bombs were developed and made for self-defense of Americans in Vietnam and not for Israelis against Palestinians in Lebanon.

F.L. MEIJER, Utrecht, Netherlands.

A Pipeline Twist

Opposition to the gas pipeline has an ironically self-defeating aspect, when one considers the steady supply of most NATO garrisons in West Germany with natural gas for heating and cooking in military barracks and living quarters for the servicemen and their families. In Bavaria about 17 percent of this gas originates in the Soviet Union. The flow has been interrupted since 1972.

ALEXANDER von DOLGOW, Würzburg, West Germany.

Tobacco's Role

In response to "Cancer Statistics" (Letters, July 20): When it is estimated that "cigarettes are causing one-

quarter of cancer deaths today," this means that cigarettes are regarded as the main cause in these cases.

Many other factors are effective as well, just as smoking is assumed to make its contribution in all smokers. Including those whose cancer is derived from other causes.

Among cancer patients who designate themselves as "nonsmokers," many are past smokers. It has been found that among patients with gastric cancer, the majority had stopped or reduced their smoking before their admission to hospital, and often several years before admission.

Many of these "nonsmokers" probably have acquired or inherited inability to detoxify poisonous substances in the tobacco smoke and perhaps elsewhere, an inability that may make them more susceptible to carcinogenic substances generally. This possibility should be taken into consideration when evaluating the results of statistical investigations.

A. ZACHO, Klampenborg, Denmark.

So What's New?

Regarding "Food and Cancer" (HT, July 18): It appears that the medical world now agrees that a healthy diet must include "whole grain products and dark-green, yellow and orange family vegetables" daily. Congratulations to the medical faculties. But my mother brought me up on whole meal bread and green vegetables. "Old wives' know."

C.P. MATHEWS, London.

AUG. 3: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Moors and the Powers

PARIS — Today's editorial reads: "After the massacre of eight Europeans in Casablanca, the moment has arrived when France, or France and Spain combined, must undertake in Morocco the work that England has accomplished in Egypt. The helplessness of the Moorish government, its incapacity not only to keep order but even to secure recognition of its own authority, needs no further demonstration. Only one of two courses of action is open to the Powers. Either foreigners should be informed that their governments are unwilling to protect them, or France, or France and Spain, must mete out drastic punishment to the Moors for the culminating outrage and render a repetition impossible."

1932: Second Veteran Dies

WASHINGTON — Bonus army casualties from the clash with police and federal troops last week within the shadow of the White House totaled two as Eric Carlson died in the hospital from gunshot wounds, while the body of William Huschka, first former serviceman to be shot down, was laid to rest in Arlington National Cemetery with full military honors. The full observance of the former serviceman's death was regarded as bringing to a close the clash that has left official Washington in an ugly temper. The civil fits was written on the incident that has cost the lives of the two veterans and a Negro policeman, when a coroner's jury exonerated the police of all blame in the deaths.

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Dow Jones Averages

Market Diaries
NYSE AMEX

AMEX Stock Index

Market Diaries
NYSE AMEX**Standard & Poors Index**

53.46	46.44	2.94	2.86
1.103	657	321	235
42.94	11.44	1.57	0.91
365	765	213	241
634	2234	0.90	1.34
392	455	187	215
1,860	1,807	721	691
14	15	8	9

Odd-Lot Trading in N.Y.

Low Band Ammonia

Monday's NYSE Closing Prices

Includes the nationwide prices up to the closing on Wall Street

[illegible]

4%	174	Tidwtr	.25	48	4	42
11%	6%	Tigarin	.			172

(Continued on Page 8)

Sales figures are unofficial
d-New yearly low, u-New Yearly high.

Unless otherwise noted, rates of dividends in the foregoing
table are annual disbursements based on the last quarterly pr
semi-annual declaration. Special or extra dividends or
payments not designated as regular are identified in the

Declared or paid either stock dividends or stock splits

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.			
British			
Standard Tele-	1st Half	1991	1990
graph	Revenue	1,000	950
	Profit	200	190
	Per Share	1.37	1.31
Greyhound			
	Revenue	1,015	1,076
	Profit	100	100
	Per Share	0.63	0.62
	Per Share	1.07	1.08
	Per Share	0.36	0.36
Grumman			
	Revenue	1,000	990
	Profit	110	100
	Per Share	1.17	1.07
	Per Share	0.90	0.80
Occidental Pet-			
	Revenue	1,000	990
	Profit	110	100
	Per Share	1.17	1.07
	Per Share	0.90	0.80
United States			
Boeing	1st Half	1991	1990
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	Per Share	1.17	1.07
	Per Share	0.90	0.80

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Herald Tribune BUSINESS / FINANCE

TUESDAY, AUGUST 3, 1982

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BUSINESS BRIEFS

Mellon, Girard Banks to Merge

PITTSBURGH — Mellon National Corp. and Girard Co. have signed a definitive agreement to merge the two Pennsylvania-based banking companies, it was announced Monday.

Girard, the holding company for Philadelphia-based Girard Bank and Girard Bank Delaware, will merge into Mellon National, the parent corporation of Mellon Bank.

Under the agreement, Girard shareholders would receive for each Girard share 0.55 share of Mellon common and 0.38 share of a new class of Mellon \$25 preferred. Girard had about 5.7 million common shares outstanding and Mellon National had about 19.57 million common shares outstanding as of June 30.

Mellon Bank, which is ranked as the 15th largest U.S. commercial bank, had assets of \$18.4 billion at the end of 1981 and domestic deposits of \$8.8 billion. Girard had assets of \$4.8 billion at the end of 1981 and domestic deposits of \$2.6 billion.

Official Firm in Telefunken Case

BONN — The president of West Germany's cartel office, Wolfgang Karrie, says there is no question of bending merger rules to allow Grundig to buy a majority stake in Telefunken.

He said Sunday in a radio interview, "The law says absolutely clearly that we must say no if market domination will be brought about or heightened by such a merger." He said that ABG, which currently owns Telefunken, has ties with Japanese companies and that Grundig is linked to Philips of the Netherlands.

He said that the planned deal will insure the survival of Telefunken but that making the decision on it will be like "walking a tightrope."

New Deposits at U.S. S&Ls Decline

WASHINGTON — New deposits in U.S. savings and loan institutions fell \$3.2 billion in June after a decline of \$302 million in May, the Federal Home Loan Bank Board said Monday.

Although savings received \$41.2 billion in new deposits during the month, withdrawals totaled \$44.4 billion. It was the 16th time in 18 months that withdrawals have exceeded new deposits.

S&Ls wrote \$4.8 billion in mortgage loans in June, a \$1.1 billion increase from May but 18 percent lower than in June, 1981, the board said.

Grace Sets Biotechnology Spending

NEW YORK — W.R. Grace & Co. said Monday it expects to spend about \$50 million over the next five years on biotechnology research directed toward specialty chemicals.

Grace said it also is considering acquisitions in the biotechnology field, but it gave no details. The company said it plans to work with universities and research institutes throughout the world.

It said it has signed a contract to fund up to \$8.5 million of research projects in microbiology over the next five years with Massachusetts Institute of Technology.

Eurodollar Rates Fall, Spurring Bond Issues

LONDON — Eurodollar deposit rates fell to their lowest level of the year Monday, and four U.S. companies were spurred by strong demand to come to the Eurobond market with new bond issues totaling \$360 million.

Overnight Eurodollars opened at 2 1/2 percent, down from 2 3/4 percent last Monday, and continued to fall throughout the day, closing at 1 1/2 percent. Dealers attributed the decline to the U.S. Federal Reserve Board's cutting of its discount rate to 11 percent late Friday.

Prices on dollar-denominated Eurobonds climbed as rates fell. Seasoned issues were up an average of one point, after opening gains of up to 1/2 point, dealers said.

Newer issues firmed. Newer issues were also firmed despite widespread predictions of an avalanche of new bonds this week, the dealers added. The \$100-million bond for IBM, issued last week with strong response, remained in favor Monday, rising 1/4 point to 10 1/2.

Among Monday's new issues, interest focused on a \$50-million seven-year issue for American National Resources led by Goldman Sachs. The notes, issued through two overseas subsidiaries, carry a coupon of 15 1/2 percent and are callable at par beginning in 1987.

Similar to last week's IBM issue, the notes were issued with warrants each entitling the holder to buy a seven-year, 15 1/2 percent, noncallable bond. The warrants have an unusually long five-year life.

The company's U.S. debt is single-A-rated by Standard & Poor's. In June, American National Resources withdrew a \$60-million, seven-year bond with indicated terms of 15 1/2 percent and a price at a slight discount because of poor market conditions.

The company, which has interests in gas, coal and cracking, is hardly as well-known as IBM, but its warrants, like those of the computer giant, generated enthusiasm for the bonds. The issue was trading on the gray market at 99 1/4 late Monday. The warrants were quoted separately at \$40 each.

A buyer could therefore sell the warrant, reduce the total cost of the note to 95.6 and thus raise the yield to almost 16 1/2 percent.

Credit Suisse First Boston led a \$150 million 10-year Eurobond for

Battle Lines For Computers Drawn in U.S.

By Michael S. Malone
New York Times Staff

SAN JOSE, Calif. — It may seem that the battle for the personal computer market in the United States is all but over, with victory to be shared by such makers as IBM, Apple and Radio Shack. But industry analysts say the real war in the personal computer market is probably just beginning, and will last until the middle of the decade.

The battle is erupting now, analysts say, because Japanese and, to a lesser extent, European electronics companies have taken advantage of recently established hardware standards, a growing supply of good software and extensive independent distribution networks. The makers from abroad, encouraged by the successes of the U.S. personal computer industry, are just now bringing their products to the United States.

"There is going to be a big battle," said David Burack, West Coast managing editor of Electronics Design Magazine. "The Japanese know that the United States is the world's largest market for personal computers and so they are going after it first."

The victors, according to analysts, will be those companies that can offer the most useful software and the best customer service and support, not necessarily the most powerful hardware or the lowest price.

An estimated 60 to 70 Japanese electronics companies have entered the market for per-



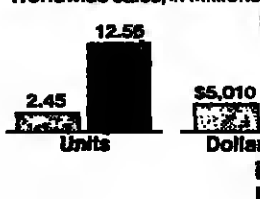
The new personal computer by IBM set the hardware and software standards.

sonal and small-business computers in Japan and as many as 20 of these may challenge in the U.S. market in the next few months.

Nippon Electric, Toshiba, Sharp, Canon and Oki have already arrived in the United States. And Sony introduced its desktop mi-

The High Hopes for Microcomputers

Worldwide sales, in millions



Most Major Banks in U.S. Cut Prime to 15%

Compiled by Our Staff From Dispatches

NEW YORK — Most major U.S. banks, responding to the Federal Reserve's cut late Friday in the discount rate, Monday lowered their prime rate a half point to 15 percent — its lowest level in 20 months.

Among the banks moving to the 15 percent prime were Citibank, Chase Manhattan, Chemical, Morgan Guaranty, Continental Illinois, Manufacturers Hanover, Bank of New York, Irving Trust and First National of Chicago.

Mellon National Bank of Pittsburgh led the move late Friday by lowering its base loan charge. Also, the Federal Reserve Friday cut its discount rate to 11 percent from 11 1/2 percent, the second such cut since July 19.

The discount rate is the interest on loans by the Fed to banks and savings and loans. The prime rate is the base upon which banks compute interest charges on short-term business loans.

The 15 percent prime rate is the lowest since Nov. 5, 1980, when it was at 14 1/2 percent.

The prime rate reduction, the second within two weeks from 16 1/2 percent, also resulted from the Fed's report Friday of an \$800 million decline in the U.S. money supply in the latest statistical week.

Fed Funds Lower

The prime cut reflected sharp declines in the banks' costs of obtaining money for lending and investment.

Federal funds — overnight loans among banks — traded as low as 10 1/4 percent without Fed intervention. Fed funds averaged 11 1/4 percent on Friday.

The money supply growth rate has come down to Fed targets within recent weeks and set the stage for the interest-rate declines.

Norman Robertson, chief economist at Mellon Bank, said the

prime rate could dip another full point within the next few weeks.

"I think that it really reflects the fact that the economy is still just very weak at the moment," Mr. Robertson said. "There's been no really visible sign of an economic recovery."

"We feel strongly that by lowering the prime lending rate we can make a contribution to the economic recovery process. Obviously, one of the reasons that the economy has been so weak in recent months has been the persistence of very high interest rates."

Treasury Secretary Donald T.

Regan said Monday he was encouraged by the drop in the prime rate.

"It is fascinating that they have come down so quickly," he told the Senate Finance Committee.

While short-term rates are expected to continue falling over the near term, analysts are uncertain how long the trend will last because the government has to borrow heavily to cover record budget deficits.

"While the market is very optimistic at the moment, the environment ahead still seems more conducive to rate increases than de-

creases," said Philip Braverman of Chase Manhattan Bank. He cited "a virtual credit blizzard of \$100-110 billion of Treasury cash financing in the second half" plus the likelihood of an economic recovery with faster money supply growth as reasons for expecting higher rates.

Faster money supply growth in August or September, combined with a growing economy, would likely cause the Fed to make credit less available in the banking system, Mr. Braverman said. That would imply an increase in short-term rates.

EEC to Offer More Cuts in U.S. Steel Exports

By Philip Stephens
Reuters

BRUSSELS — The European Economic Community agreed Monday on a new offer to cut steel sales on the U.S. market, amid signs that its bitter trade dispute with Washington may be close to a settlement.

After preliminary talks with U.S. officials in Brussels over the weekend, both sides described the discussions as positive.

Diplomats said the 10 EEC members were ready to reduce their share of the U.S. steel market to 5.8 percent for the next three years, compared with a 6.4 percent share in 1981.

The United States has sought a 5.67-percent limit on the 11 major steel products to be covered by an agreement, which would allow Washington to withdraw anti-subsidy duties on European steel imports, they added.

EEC Industry Commissioner Etienne Davignon plans to take the offer Tuesday to Washington, where he would try to reach at least an outline accord in talks

with U.S. Commerce Secretary Malcolm Baldrige, the diplomats said.

The contentious duties were imposed provisionally in June after U.S. steelmakers complained their U.S. sales were being harmed by European steel sold at unfairly low prices. The final deadline for an agreement on the export levels is Aug. 24, when the provisional duties are due to become definite.

A proposal in mid-July by four EEC states to cut exports by 10 percent was swiftly rejected by the United States and the diplomats cautioned against undue optimism in the current talks.

The Reagan administration is under strong pressure from its own steel industry, which has to agree to any agreement, the diplomats said.

They also said a dispute between European steelmakers over sharing the proposed cuts could create severe problems.

There were indications that a compromise could be reached on the range of products to be included in any accord, they said.

The diplomats said that Mr. Davignon told a meeting of government trade experts in Brussels on Monday that the United States had apparently modified its insistence that steel pipes and tubes be added to the 11 products to be covered by an accord.

However, even though Washington might accept an informal agreement that Europe would not increase its share of the U.S. market for pipes and tubes, Mr. Davignon had no mandate from the EEC member governments to agree to such an arrangement for these products, the diplomats said.

The question of whether pipe and tube exports should be curtailed could delay a settlement of the steel dispute until after Aug. 9, when the Reagan administration is to rule on further suits against European steelmakers.

The internal EEC dispute arose from the insistence of West Germany, the Netherlands and Luxembourg — whose exports were found to be relatively unsubsidized by Washington, and have had to pay only minor import duties —

N.Y. Stock Prices In Broad Advance; Dow Gains 13.51

Compiled by Our Staff From Dispatches

NEW YORK — An afternoon rally caused prices on the New York Stock Exchange to close sharply higher Monday, with blue chip and bank stocks the star performers.

The Dow Jones industrial average turned in an erratic performance, rising 6 1/2 points in the first half hour, easing to a gain of less than three at midday and then climbing again to close up 13.51 at 822.11. Advances led declines by a 10-to-3 margin, and volume rose to 53.5 million shares from 39.3 million yesterday. Volume in the final hour was more than 12 million shares.

Analysts said the initial spark for the upturn was a cut late Friday by the Federal Reserve in its discount rate to 11 percent.

The action triggered a drop in the prime rate to 15 percent from 15 1/2 percent by most major banks.

The Fed also reported the nation's supply dropped \$800 million in the latest reporting week, keeping its growth within targets and allowing some credit relaxation.

But analysts said investors are still concerned that the lower interest rates are only temporary. These concerns caused the market to lose its upward momentum in mid-morning, according to Monte Gordon of Dreyfus Corp.

"The rate declines are suspect in terms of duration. Investors do not think they will last," Mr. Gordon said. He also said investors are aware that rates are dropping because of the weak economy, which means corporate profits could also fall.

Michael Metz of Oppenheimer & Co. attributed the late resumption of the rally to continued strength in the bond market as well as a pick-up in bank stocks, which have posted steep declines recently.

But he said the relatively light volume makes the rally suspect, even though advancing issues

overwhelmed declines. "There are still a lot of skeptics out there who think the market may yet test its lows."

Mr. Metz added that "there is no unanimous optimism on the outlook for either interest rates or the economy."

The Commerce Department reported Monday that construction spending rose 1.3 percent in June to a seasonally adjusted annual rate of \$230.7 billion after a revised gain in May of 0.7 percent. Initially, the department said spending rose 1.3 percent in May.

June construction spending was down 2.9 percent from a year earlier, the department also said.

In a separate report, the department said new orders received by U.S. manufacturers fell \$464 million, or 0.3 percent. The decline followed a revised 1 percent May increase. Initially, the department said orders rose 1.5 percent in May.

Commerce Secretary Malcolm Baldrige reportedly said he expected slower second-half economic growth than the administration's projection of a 4.5 percent jump in the gross national product.

So do many other analysts who noted the government's June index of leading economic indicators was unchanged after two months of increases and that just about every measurement of output was down.

On the NYSE floor, Cities Service was delayed in opening, but when it did, just before the close, it was off 10 1/2 at 44. It closed at that level, Gulf Oil, trading for the first time since last Wednesday, closed up 1/4 at 26 1/4. Gulf said it was keeping its options open on its proposed merger with Cities Service, which the Federal Trade Commission is trying to block.

Statistics Index

AMEX prices	P.3	Prime Rate Notes	P.3
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Commodity Stocks	P.3	Gold & Loans	P.3
Commodities	P.3	Market Summary	P.3
Dividends	P.3	U.S. Money Rates	P.3
Earnings reports	P.3	OTC Stocks	P.3
Euro-rates	P.3	Other Markets	P.3

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Canada Seeking \$2 Billion Loan, Bankers Say

Reuters

NEW YORK — Canada is seeking an increase of about \$2 billion in its \$3-billion revolving credit facility with U.S. banks, banking sources said Monday.

They said discussions among Canada, its agent, Citibank, and the joint managers of the facility are at a preliminary stage.

But they said it appears that banks that would subscribe to the additional financing would be offered higher rates for the entire facility than exists on the current credit line.

Canadian government officials declined to comment about the increase in the credit line and the Canadian Finance Department denied such a request had been made.

Canadian government sources said recently that Ottawa would move shortly to replenish its foreign exchange reserves and to finance its growing budget deficit, which totals about \$19.6 billion for fiscal 1982-83.

Banking sources said it is for these reasons that Canada is seeking the increase in the facility.

The sources said that in June, Canada's foreign exchange reserves fell \$2.3 billion to well below \$3 billion. That decline prompted the government to tap the Eurobond market for a \$750-million note issue.

Canada has drawn down \$1.5 billion under the \$3 billion credit line, which was signed three years ago and expires in 1988. It is expected the Canada will take the remaining \$1.5 billion when and if the facility is increased.

The facility is considered a standby credit and is not included in official foreign exchange reserves.

Last October, the maturity of the credit line was extended from 1986. Canada was given the option of terms set based on the London interbank offered rate the U.S. prime rate.

The interest rate on the current \$1.5 billion borrowing is 1/4 percentage point over Libor or the prime.

Banking sources suggested that the new terms, which also would be at Canada's option, would be 1/2 point over Libor or 1/4 over prime with a commitment fee of 1/4 percent.

The joint managers of the facility are Bank of America, Irving Trust and Manufacturers Hanover Trust.

In London, lead manager UBAF Bank confirmed Monday that Yugoslavia's Ljubljanska Bank is raising a \$100-million, maximum 18-month revolving credit facility to finance imports of oil.

The facility will have interest set at 1/4 percent over Libor with a commitment fee of 1/4 percent on undrawn funds, it added.

Libyan oil will be included in the exports, according to the Yugoslavian bank's London office.

Markets Closed

Banks and financial markets in Hong Kong and Toronto were closed Monday for holidays.

CURRENCY RATES

Interbank exchange rates for Aug 2, excluding bank service charges.

	U.S.	U.K.	FR.	It.	Sw.	D.	Y.	Sp.	Sc.
Athens	2.82	1.70	110.40	31.85	21.85	2.71	138.25	21.85	21.85
Bombay	4.37	11.55	11.85	4.85	3.45	17.35	22.45	5.85	5.85
Frankfurt	2.45	1.35	35.4	1.25	60.5	5.25	117.75	26.75	26.75
London (C)	1.75	1.25	110.75	2.25	2.25	4.75	61.25	26.25	26.25
Madrid	1.63	2.95	50.15	20.75	20.75	20.75	20.75	60.75	60.75
Paris	1.75	1.15	27.25	1.25	4.55	25.25	14.55	37.25	37.25
Rome	2.82	2.85	84.55	35.25	1.55	74.5	4.55	34.55	34.55
Stockholm	1.75	1.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Switzerland	1.75	1.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Tokyo	1.75	1.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Wien	1.75	1.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25

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5 franc: 7 point spread 28.00/27.00

FRENCH FRANC
5 franc: 7 point spread 28.00/27.00

[illegible]

Selected Over-the-Counter

Closing NASDAQ Prices

[illegible]

ProDes s	13 1/4	13 1/2	KatSt.pf	15	16 1/2	Points	Y
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Canadian Stock Markets

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SPORTS

Confusion in the NFL With Training Under Way

By Gerald Eskenazi
NEW YORK — Neither management nor players want it, but the New York Jets will become the symbol this week of the overall power struggle between owners and union that has consumed professional football.

The Jets, whose spectacular free safety, Darrol Ray, was refusing to report Monday night as ordered, also symbolize the bizarre situation that arises when professional athletes are unionized.

Although there have been changes among player representatives and alternates on five clubs since the season ended, the Jets are the only team in the sport without union leadership. Greg Buttle, their player representative, has quit. Earlier, his assistants, first Joe Klecko and then Ken Schroy, also resigned.

All three are polite when discussing the National Football League Players Association and its leader, Ed Garvey. But they have told friends and teammates that they disagree with Garvey on some points, and they are weary of the confrontation politics that seem to have become part of the sport.

Jack Donlan, the chief negotiator for the owners, virtually threatens a lockout before the first game if there is no contract by the time the regular season starts. Why would Donlan explain that the owners do not want to put money in the players' pockets, allowing them to ride out a strike, by starting the season. That is what happened to baseball last year.

Since football players are paid on a prorated basis after each game, players would receive one-sixteenth of their salary — an

average of about \$5,500 apiece — after the first game.

Meanwhile, Garvey revealed "the crunch is coming" in an interview Sunday, that unions against clubs — "from holding up a sign to shutting down a game" — could start

COMMENTARY

within two weeks, when the first exhibition games begin.

This is behind the Jets' fears, at least as expressed by their quarterback, Richard Todd.

Like many of his teammates, Todd believes that the Jets are Super Bowl contenders. They do not want problems. They do not want the angry locker-room shooting that infected the club in a 1975 pre-season workout.

Garvey, of course, is sensitive to this. He has heard it before.

"At this time of year," Garvey says, "everyone thinks they can win the Super Bowl. I would think the Cincinnati Bengals would be equally concerned. And if the Jets win the Super Bowl and they get injured along the way, who's going to take care of them? There are certain priorities in life."

But as long as some players feel they are not getting as much as they are worth, while others are afraid that union job action will curtail their earnings, football will never have its "priorities" quite right.

Pro football must share the blame in this situation. It has a shameless system of signing youngsters to multiyear "one-year" contracts that produce absolutely no benefit to

the players. They must make the team each year. When you read that in 1980 that Ray signed a series of one-year contracts, it means that each year he must make the club. He is not protected for 1984 if he suffers a career-ending injury today. Yet, if players' performances rise above their contract, as happened with Ray, they are stuck with salaries they agreed to years before.

That is the major reason that the Jets — who pride themselves on tidy housekeeping — were faced with the prospect of their first co-show veteran in years Monday night. Ray is remaining home rather than play for third-year money of his five-year contract that keeps him below \$100,000.

There are other undercurrents here, too — revealing the anomaly of sports unionism. On Thursday, perhaps, Garvey also will meet with Donlan in the next round of talks — talks that have gone on since February, continued past the end of the current contract in mid-July, and produced not an inch of movement.

How can it be if they cannot even agree where to meet? Garvey wants the next session to be on a training-camp site — say, Latrobe, Pa., where the Steelers train — so that the players can attend the talks.

But as far as Donlan is concerned, the next meetings are supposed to take place in Manhattan. And Donlan does not waver.

The danger that the Jets — and so many other teams in pro football — face this week is disruption, name-calling, I'm-a-better-union-man-than-you war.

A strange thing is happening in the sport: the players are arguing out over the issues but over themselves.



ENSHRINED — From left: Stonewall Jackson, Happy Chandler, Frank Robinson, Hank Aaron.

4 Inducted in Baseball Hall of Fame

By Joseph Durso

New York Times Service

COOPERSTOWN, N.Y. — Henry Aaron and Frank Robinson, who hit 134 home runs between them, entered baseball's Hall of Fame on Sunday and were honored as pioneers of both social and baseball history.

They were inducted with Travis (Stonewall) Jackson and A.B. (Happy) Chandler before one of the most imposing groups of old baseball heroes ever assembled at the 45-year-old museum. But the focus of the program was the late Jackie Robinson, who was exalted repeatedly as the man who had withstood the pressure and "opened the doors of baseball" to black ballplayers.

Chandler, who succeeded Judge Kenesaw Mountain Landis as commissioner in 1945 and was dismissed five years later, sounded the theme when he said: "For 24 years, my predecessor did not let the black man play. If you were black, you didn't qualify. It wasn't entirely his fault. It was what the club owners wanted."

Thanks to Door-Openers
Frank Robinson, a power-hitting outfielder for 21 summers and the first black manager in the big leagues, echoed the theme when he said: "I give special thanks to Roy Campanella and Jackie Robinson and the other black players who opened the doors. They put up with an awful lot to open the doors."

Aaron, who broke Babe Ruth's record of 714 home runs and eventually hit 755, added: "I feel proud to be standing here where, a few years ago, Roy Campanella and Jackie Robinson made it possible for Frank Robinson and me to follow. They proved to the world that a man's ability is limited only by his lack of opportunity."

The tributes were rendered with directness but without apparent bitterness during two and a half hours of generally sentimental memories. But they evoked repeated applause from 24 men on the dais who had been enshrined in the Hall of Fame in past ceremonies, including Joe DiMaggio, who returned for the first time in 27 years, and Campanella, who sat listening in his wheelchair.

If the program contained any surprise, it was probably Aaron's brevity and mildness. Frank Robinson held the stage for 32 minutes, during which he thanked numerous relatives and friends for having softened his aggressive nature. But Aaron, who has occasionally accused Commissioner Bowie Kuhn of

aloofness, spoke for only seven minutes and offered no criticism.

Two references, though, were made to Kuhn's own struggle to keep his job against the opposition of several owners. In his opening remarks, Kuhn noted that this was the 14th time he had presided at the ceremonies, and said: "Nothing that might happen could tarnish this joy for me."

The point was picked up by Chandler, an outspoken supporter of Kuhn, when he said: "I would hate to see, at this moment in our history, a confrontation between the club owners and the commissioner. He is a man of character and courage. There are people just itching to give you a federal commission if you can't manage your own affairs."

The inductions were held on a sunny afternoon in the Mohawk country, far from the crowded stadiums where Aaron, Robinson, and Jackson played out their careers.

The first to be honored was Jackson, the shortstop for the New York Giants from 1922 to 1936 and a veteran of four World Series. Now 78 and living in Waldo, Ark., he recalled the days of Casey Stengel, Frankie Frisch, and Mel Ott, and said:

"John McGraw got a good going-over when he traded Dave Bancroft to Boston, broke up his pennant team, and put this kid at shortstop."

Then it was Chandler's turn. He was introduced as a pioneer who had created the first player pension, signed the first television contract in baseball and fought those owners who tried to prevent the Brooklyn Dodgers from playing Jackie Robinson in 1947. A one-time governor of Kentucky and U.S. senator, he is now 84 and living in Versailles, Ky.

Next came Frank Robinson, who hit 586 home runs, the fourth highest total in history. He was voted the Most Valuable Player in the National League with the Cincinnati Reds in 1961 and in the American League with the Orioles in 1966. He became the first black manager in the majors in 1975 with the Cleveland Indians. Now, at 46, he is the manager of the San Francisco Giants.

The final cheers went to Aaron, the premier home-run hitter in baseball, chiefly for the Milwaukee and Atlanta Braves, and the most valuable player in the National League in 1957. Now 48, he is a vice president of the Braves. Between them, he and Robinson went to 22,377 hits and made 6,714 hits.

"I grew up," he said, "in a home where there was little material abundance but much love and discipline. I owe thanks to many people who helped me reach this place."

East German Swimmers Excel Early

The Associated Press

GUAYAQUIL, Ecuador — Peter Schneider set a world record in the 400-meter individual medley as East Germans won the first two women's events at the World Swimming Championships Sunday night.

Bright Meincke, the East German who set a meet record of 55.34 seconds in her preliminary race Sunday morning, won the women's 100 freestyle gold medal with a time of 55.79 in the final.

Meincke, 18, edged silver medalist Annemarie Versteppen of the Netherlands by eight hundredths of a second, while Jill Sterkel of California captured the bronze.

Steve Ludquist of Georgia captured 100-meter breaststroke title but Michael Gross of West Germany upset the world-record holder, Rowdy Gaines of Florida, in the 200-meter freestyle in the first men's finals.

Schneider staked a firm claim as the best all-around woman swimmer in the world by winning the 400-meter individual medley. She easily outdistanced Tracy Caulkins of Tennessee, who shares Schneider's birthday of Jan. 11, 1963.

Schneider was timed in 4 minutes, 36.10 seconds to power her own two-year-old world standard by 19 hundredths of a second. Caulkins has been the best all-around American woman swimmer since 1977. During that time, she has won a record 39 individual titles in national championship meets.

Caulkins never challenged Schneider. She held second place until the freestyle, the final 100-meter race of the four-event medley. Then Kathleen Nord of East Germany passed her to take the silver medal in 4:43.51 as Caulkins finished in 4:44.64 for the bronze.

Ludquist, second in the prelim-

inaries as Victor Davis of Canada set a meet record of 1:03.06, had an excellent start. He barely held off Davis to break the hour-old meet mark with a time of 1:02.75. Davis took the silver medal, while John Moffet of California was third.

Gross out-touched Gaines to win the 200 freestyle in 1:49.84. Gaines seemed to have the upper hand going into the final 25 meters, but the West German finished well to nip the American by eight hundredths of a second. Jorg Woithe of East Germany was the bronze medalist.

The Soviet Union, meanwhile, defeated the United States, 8-5, to remain unbeaten at the end of the round-robin water polo competition at the World Aquatic Games Sunday. In other matches, Yugoslavia edged the Netherlands, 7-6; West Germany overwhelmed New

Zealand, 16-5; and Hungary beat Cuba, 10-8; to also remain unbeaten.

The Soviet Union, West Germany, Yugoslavia and Hungary won their round-robin groups with 3-0 records, while the Netherlands, the United States and Cuba stayed in contention for a medal with 2-1 marks. Spain is also a medal contender with a 2-1 record.

China, Australia, Italy, France are 1-2, and New Zealand, Egypt, Greece and Canada were without a victory in the preliminaries and were eliminated from medal contention in the next round.

Greg Longanis of California was the top qualifier for the finals in the men's springboard diving championship. Longanis, 21, collected 687.33 points in two rounds of preliminary dives. Eleven other divers also qualified for Monday's finals.

Bill Tilden put together a six-year streak that ended in 1927. The women's field lacks a defending champion. Andrea Jaeger, who defeated Virginia Ruzici in last year's title match, chose instead to participate in an eight-player event in Australia. Chris Evert-Lloyd, a five-time winner here, and Martina Navratilova also went to Australia, where Evert-Lloyd won the title and \$80,000 on Sunday.

So Ruzici is the top-seeded woman here for the \$27,500 winner's purse. Kathy Rinaldi is seeded second, followed by Zina Garrison, Bonnie Gaduska, Pam Casar, and Dik Hec Lee. "Ticket sales have still been good," said Stan Malles, the tournament director. "Even without Jimmy Connors and John McEnroe, we have a very strong men's field."

Clerc is seeded second, followed by Mats Wilander, the 17-year-old Swede who has rapidly climbed up the world rankings with victories in the French and Swedish Opens. Peter McNamara, José Higueras, Andres Gomez, Mel Purcell and Balazs Taroczy round out the top eight seedings in the men's field.

SPORTS BRIEFS

Women's Long Jump Mark Set Twice

BUCHAREST — Two Romanian athletes broke the world record for the women's long jump in rapid succession here Sunday night with Vali Ionescu leaping 7.20 meters.

Ionescu's performance, at the Romanian National Athletic Championships, followed only a few minutes after Anisoara Cusmir had jumped 7.15 meters, surpassing the previous record of 7.09 meters held by Wilma Bardauskene of the Soviet Union.

Ionescu, who won bronze medals at this year's European Indoor Athletic Championships in Milan and at the World University Games in Bucharest last year, said afterwards: "I am happy. It was difficult when Anisoara reached 7.15 meters, because I had only one attempt left. I think I made a perfect jump."

Lendl, Higuera Reach Tennis Final

NORTH CONWAY, N.H. — Ivan Lendl, shooting for his 10th title this year, defeated Jose-Luis Clerc, 6-4, 2-6, 6-4, and José Higuera, seeking his second championship, routed Peter McNamara to advance Sunday to the final of a Grand Prix tennis tournament here.

Lendl, defeating Clerc for the fourth straight time in the last 51 weeks, once again relied on his powerful serve and accurate groundstroke in the two-hour and 15-minute match. He went into Monday's final with a 3-0 record against Higuera.

Noah, Ruzici Triumph in New Jersey

SOUTH ORANGE, N.J. — Yannick Noah fought off a tenacious second-set challenge to defeat Raul Ramirez, 6-3, 7-6, and win a clay-court tournament. "My serve is really good now. I know how to use it," said Noah, who won the final six points of the tiebreaker.

In the women's final, Virginia Ruzici rebounded to beat Leigh Thompson, 5-7, 6-2, 6-2, in a two-hour and 10 minute duel. Ruzici, who lost in the final a year ago, played an excellent attacking game and pressed her 18-year-old opponent with strong forehand shots during the final two sets.

In Rancho Bernardo, Calif., top-seeded Tracy Austin defeated Kathy Rinaldi, 7-6, 6-3, to win this tournament for the fourth time in the four years it has existed and earn the top prize of \$22,000.

Lietzke Captures Canadian Golf by 2

OAKVILLE, Ontario — Bruce Lietzke shot a 73 and, despite struggling over the final seven holes, held on for a two-stroke victory Sunday in the Canadian Open golf championship.

In this victory, the ninth of his career, Lietzke finished with a 72-hole total of 277, seven strokes under par on the 7,060-yard Glen Abbey Golf Club course. The triumph was worth \$76,500 from the total purse of \$425,000 and pushed Lietzke's season's earnings to \$206,303.

Hal Sutton, a former U.S. amateur champion and in his first full season on the pro tour, finished second at 279. He matched par 71 over the final 18 holes. Tommy Valentine shot a 74 and wound up in a tie for third at 280 with Charles Coody, who closed with four-under-par 67.

Plans Laid for Moscow Grand Prix

LONDON — Bernie Ecclestone, president of the Formula One Constructors Association, said he is going to the Soviet Union soon to discuss plans for a Grand Prix auto race in Moscow next year.

"Plans for a Moscow Grand Prix have met with favorable reactions so far and I am going to Russia in a couple of weeks to sort a few things out," Ecclestone said.

The race, which would be the first Formula One world championship event to be staged in Eastern Europe, is tentatively scheduled for next August. The cars will not be routed around the Kremlin or through Red Square. No Soviet drivers would take part because none are employed by any of the teams on the world championship circuit.

Compiled From Agency Dispatches

Royals Sweep Series From Orioles

United Press International

KANSAS CITY, Mo. — Hal McRae's double triggered a four-run, eighth-inning outburst Sunday that gave the Kansas City Royals a 4-2 victory over the Baltimore Orioles and a sweep of their four-game weekend series.

Jim Palmer, cruised into the eighth with a six-hitter and a 2-0

lead, but the Royals chased him when Amos Otis singled and McRae doubled to lead off the inning. The Orioles summoned Tip Martinez, who yielded back-to-back RBI singles to pinch-hitter Lee May and Jerry Martin to tie the game.

Tim Stoddard relieved and allowed a sacrifice fly by Frank White and a single by pinch hitter Steve Hammond to produce the final two runs — the first runs charged against Martinez since June 30.

Tigers 8, Blue Jays 5
In Toronto, Lou Whitaker hit a three-run homer, and Lance Parrish added a bases-empty blast carrying Detroit to snap a four-game losing streak with an 8-5 victory over Toronto.

Angels 9, Mariners 4
In Anaheim, Calif., Doug DeCinces hit a three-run homer in the first inning, and Fred Lynn's bases-loaded double produced three runs in the second as California beat Seattle, 9-4.

White Sox 4, Red Sox 2
In Chicago, Harold Baines hit a two-run homer in the fifth and Ron Leflore drove in two runs

Transactions

BASEBALL
ATLANTA BRAVES—Activated Terry Harper, outfielder and sent Ken Dwyer, pitcher, to the minors.

PITTSBURGH PIRATES—Signed John Milner, outfielder-first baseman. Placed Dave Parker, outfielder, on the disabled list.

NATIONAL FOOTBALL LEAGUE
ATLANTA FALCONS—Signed Greg Fields, defensive back.

CLEVELAND BROWNS—Waived Phil Davis, running back; Kent Davis, defensive back; and Linc Dierker, defensive back.

DEVELOPMENTAL—Waived David Barbour and Bob Brown, tight ends; Mike Smith, defensive back; and Scott Brown, tight end.

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BASEBALL ROUNDUP

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Major League Standings

NATIONAL LEAGUE
East
Philadelphia 100-57-13
St. Louis 98-60-10
Pittsburgh 95-63-13
Cincinnati 94-64-14
New York 93-65-15
Atlanta 92-66-16
Houston 91-67-17
San Francisco 90-68-18
Los Angeles 89-69-19
Milwaukee 88-70-20
Chicago 87-71-21
Montreal 86-72-22
San Diego 85-73-23
Cleveland 84-74-24
Detroit 83-75-25
Kansas City 82-76-26
Oakland 81-77-27
Seattle 80-78-28
Texas 79-79-29
Washington 78-80-30
New York 77-81-31
Boston 76-82-32
Los Angeles 75-83-33
San Francisco 74-84-34
Houston 73-85-35
Cleveland 72-86-36
Detroit 71-87-37
Chicago 70-88-38
Pittsburgh 69-89-39
St. Louis 68-90-40
Philadelphia 67-91-41
Cincinnati 66-92-42
New York 65-93-43
Atlanta 64-94-44
Houston 63-95-45
San Diego 62-96-46
Milwaukee 61-97-47
Los Angeles 60-98-48
Washington 59-99-49
New York 58-100-50
Boston 57-101-51
San Francisco 56-102-52
Cleveland 55-103-53
Detroit 54-104-54
Chicago 53-105-55
Pittsburgh 52-106-56
St. Louis 51-107-57
Philadelphia 50-108-58
Cincinnati 49-109-59
New York 48-110-60
Atlanta 47-111-61
Houston 46-112-62
San Diego 45-113-63
Milwaukee 44-114-64
Los Angeles 43-115-65
Washington 42-116-66
New York 41-117-67
Boston 40-118-68
San Francisco 39-119-69
Cleveland 38-120-70
Detroit 37-121-71
Chicago 36-122-72
Pittsburgh 35-123-73
St. Louis 34-124-74
Philadelphia 33-125-75
Cincinnati 32-126-76
New York 31-127-77
Atlanta 30-128-78
Houston 29-129-79
San Diego 28-130-80
Milwaukee 27-131-81
Los Angeles 26-132-82
Washington 25-133-83
New York 24-134-84
Boston 23-135-85
San Francisco 22-136-86
Cleveland 21-137-87
Detroit 20-138-88
Chicago 19-139-89
Pittsburgh 18-140-90
St. Louis 17-141-91
Philadelphia 16-142-92
Cincinnati 15-143-93
New York 14-144-94
Atlanta 13-145-95
Houston 12-146-96
San Diego 11-147-97
Milwaukee 10-148-98
Los Angeles 9-149-99
Washington 8-150-100
New York 7-151-101
Boston 6-152-102
San Francisco 5-153-103
Cleveland 4-154-104
Detroit 3-155-105
Chicago 2-156-106
Pittsburgh 1-157-107
St. Louis 0-158-108
Philadelphia 0-159-109
Cincinnati 0-160-110
New York 0-161-111
Atlanta 0-162-112
Houston 0-163-113
San Diego 0-164-114
Milwaukee 0-165-115
Los Angeles 0-166-116
Washington 0-167-117
New York 0-168-118
Boston 0-169-119
San Francisco 0-170-120
Cleveland 0-171-121
Detroit 0-172-122
Chicago 0-173-123
Pittsburgh 0-174-124
St. Louis 0-175-125
Philadelphia 0-176-126
Cincinnati 0-177-127
New York 0-178-128
Atlanta 0-179-129

PEOPLE

Driving to Peking

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